





## Marines Shoring Up 'Sand Bag City'

Shelling of Beirut's Airport Illustrates Risk to U.S. Force

By James M. Markham  
New York Times Service

BEIRUT — "Welcome to Sand Bag City, Population 89," proclaims the handpainted sign at the fringes of Beirut's airport.

The residents of Sand Bag City are men from the U.S. Marine Corps.

"You see that hooh over there?" asked First Lieutenant Joseph Golebiowski. "That's mine. It's exactly 32 paces from the runway."

On Aug. 10, Druze gunners in the nearby hills fired 122mm rockets into the international airport, which was guarded by 1,200 Ma-

lines. One of the Marines was slightly wounded.

Lieutenant Golebiowski, 26, who is commander of a battery of 81mm mortars, was given the order to fire during the Druze attack — the first such order to the Marines since they came to Lebanon a year ago.

But the only thing the Marines fired were flares, which burst in the air over the target and descended slowly by parachute, brilliantly lighting up the night.

"We sent a message," said Lieutenant Golebiowski, grinning as he paddled through the hot sand toward his tent. "We could grab an-

other kind of round next time. It was just a little friendly greeting."

The episode illustrated the ambiguous role of the Marines, who, along with 4,000 French, Italian and British troops, are part of the multinational force that is supposed to be helping President Amin Gemayel assert his authority over the portion of Lebanon not occupied by Israelis or Syrians.

The Marines are in a passive situation. They are not a police force. Technically, they are not even a peacekeeping force. If they spot someone with a gun in what they call Hooterville or Khomerville — the latter refers to the Moslem Shiite slum area around the airport — they simply report their observation to the Lebanese Army.

In the coming weeks, however, Mr. Gemayel is expected to press the four NATO nations to extend their roles, possibly moving south from the airport along the coastal road to help fill the vacuum when Israel pulls its troops back to the Awali River. There is not much enthusiasm among the four nations for this idea — and even less for moving into the Chuf Mountains after the Israelis go.

And as the shelling of the airport hinted, a renewal of civil conflict in Lebanon risks embroiling the Marines, or at least calling what at this point amounts to something of a bluff. Already, shelling between Druze and Christian militiamen in villages just above the airport has become a nightly ritual. Stray bullets occasionally zing into Marine positions.

"If they start, we'll be right in the middle of it," acknowledged Captain Bob Funk, 31, an artillery officer from Winter Park, Florida. "They shoot all over the place, and they couldn't care less about what they hit."

The Marines are fairly certain that last week's airport shelling was not aimed at them. When it started, soldiers from a Lebanese artillery unit being trained by the Marines sought help in aiming the 155mm guns — which the Lebanese had never fired — at Druze positions.

The Marines declined, telling their students to shoot the guns themselves.

"They knew what to do," Captain Funk said. "We've trained them well. They did a good job."

He paused. "At least they didn't drop any shells short of us. They were firing right over our heads."

The Marines involved in training the Lebanese Army speak almost invariably about the "enthusiasm" of the recruits, and they note that many of them have had experience fighting in the ranks of the various militia forces. But privately they express occasional reservations.

One U.S. officer was horrified, for example, when he learned that Lebanese artillery units were "practicing" by firing artillery into lightly populated areas.

An even more touchy subject is Israel's role in the shelling of the airport. In the jumble of flags and allegiances in the hills above Beirut, the Israeli Army has a strong point almost within shouting distance of the position from which the partisans of the Progressive Socialist Party — the militia of the Druze sect — fired into the airport area.

"A lot of these shelling have occurred in Israel Defense Force-controlled areas," said Colonel Timothy J. Geraghty, commander of the 24th Marine Amphibious Unit. "I use the word 'controlled' loosely."

Although the Israelis maintain a highway checkpoint just south of the most advanced U.S. position, the Americans and Israelis have virtually no contact. At one point around the Lebanese University, a row of white-painted oil drums marks the boundary between their areas.

The Marines count themselves fairly lucky so far in terms of casualties. In the year the Marines have been here, only two have been killed — one while clearing unexploded shells and another in the blast that wrecked the U.S. Embassy in April. Ten Marines and one Navy man have been wounded. Most of the wounds have been minor.

But as the security situation worsens, the Marines are filling more sandbags at Sand Bag City and around their dormitory, which they have adorned with a banner of the United States flag. "Welcome to the Beirut Hilton — Military Discounts Available."



AIRPORT OPEN AGAIN — Passengers rushed to the ticket counters Tuesday at Beirut International Airport, seven days after it was closed by artillery attacks.

## Israeli Withdrawal to Test Strength Of Lebanese Regime and Its Army

By James M. Markham  
New York Times Service

BEIRUT — As Israel prepares to pull out of the Chuf mountains above Beirut, Lebanon is bracing for what could be a new chapter in its eight years of civil warfare.

At issue is whether the largely untested Lebanese Army can move into the military vacuum that will be left by the Israelis without setting off resistance from newly reformed Druze militiamen in the Chuf region.

The government of President Amin Gemayel is in a predicament. If its army fails to pacify the Chuf region, the government's authority could suffer a crippling blow. But sending the army to the mountains could touch off communal violence that would have the same effect.

When they first went into the Chuf on their way to Beirut last summer, the Israelis used a system of alliances and understandings that had enabled the mountain region to escape much of the sectarian killing epidemic in the rest of Lebanon.

The system had given the Druze, a secretive and heterodox Islamic sect, the military and political advantage at the expense of the Maronite Catholics, who with a few important exceptions were spared massacres or persecution. The sacking and burning of the Maronite coastal town of Damir in 1976 by Druze and Palestinian gunmen had persuaded the Christians that accommodation was preferable to confrontation.

Eager to support their new-found Christian allies, the Israelis at first encouraged their militia, known as the Lebanese Forces, to bring men and heavy weapons into the Chuf mountains, where Maronite and Druze villages are intermingled in a random fashion.

Outraged and fearful, the Druze appealed to their co-religionists in Beirut to put pressure on Prime Minister Menachem Begin to change course. The Begin government, worried about an important domestic constituency and calculating that it might owe the Druze out of Syria's orbit, started "tilting" toward the Druze, and in the mountains their militia was allowed to re-arm.

Now, wishing to cut its casualties in Lebanon, Israel is planning to withdraw south from the Chuf region to a line along the Awali River.

Last week the main Druze militia group, the Progressive Socialist Party of Walid Jumblatt, made a two-pronged move against the dispatching of the Lebanese Army by attacking one of its units at a hill town called Kfar Matra and shelling another unit at Beirut's international airport, which was closed for six days.

Though suspicious that the Lebanese Army has a pro-Maronite bias, the Druze leadership has not categorically rejected its eventual deployment.

"If the Lebanese Army will come to the Chuf after the Israelis withdraw, we request a political agreement with us before it comes," said Tewfik Barakat, a Druze leader, in an interview at the Jumblatt family seat at El Makhtara in the Chuf mountains.

In the latest barrage of verbal and military exchanges, Mr. Jumblatt has made several demands, including the resignation of the cabinet headed by Prime Minister Shafiq al-Wazzan. A basic demand is the creation of a Lebanese Senate, whose presidency would automatically go to a Druze.

This would for the first time give the Druze population a similar place in Lebanon's 40-year-old system that allocates the nation's presidency to a Maronite Christian, the prime ministry to a Moslem of the Sunni sect and the speakership of the Chamber of Deputies to a Shiite Moslem.

The Gemayel government has responded ambiguously to the Druze demands, and there has been talk about convening a national congress of Lebanon's political chiefs to seek national reconciliation.

In the meantime, the countdown for the Israeli pullback has started.

The timing of the lightly armed Lebanese Army battalion at Kfar Matra was a foreboding sign that the army would meet if it tried to move into the Chuf region without the acquiescence of the Druze.

Nevertheless, Lebanese officers insist that three brigades, or about 8,000 of the army's 33,000 men, have been designated to go into the mountains when the Israelis pull out, with or without an accord with the Druze.

In this context of possible violence, it is hardly surprising that Mr. Gemayel and Robert C. McFarlane, the U.S. special envoy, have reportedly been concentrating on delaying the Israeli pullback.

NEWS ANALYSIS

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All of the newspapers carried allusions to what they interpreted as approval of Poland's course by its Warsaw Pact allies. One newspaper, Kurier Polski, concluded that "Honecker's visit 'speaks for itself.'"

"Poland has become again a reliable political partner and she is also becoming one in the economic respect, although slowly," said the mass-circulation daily, Zycie Warszawy. "That is why both countries set such big store by the visit which is just beginning."

Mr. Honecker, who is both the chairman of the council of state and the head of the East German Communist Party, is expected to stay for three days. The discussions are likely to include trade agreements between the two countries.

In Gdansk, meanwhile, the provincial governor, Major General Mieczyslaw Cygan, said special court procedures had been established in courts to speed up processing of anyone engaged in demonstrations.

The regulations would remain in effect until Sept. 15, two weeks past the Aug. 31 anniversary of the signing of the agreement with shipyard strikers that gave birth to Solidarity.

Yet for a number of industries part-time workers, defined by the Bureau of Labor Statistics as those who work less than 35 hours a week, are considered desirable, particularly in service jobs. And, according to Robert Martin, associate director of community development for the Chamber of Commerce of the United States, the jobs are valuable for women with home responsibilities, students and elderly people who need extra income.

Employers said that in many cases part-time workers are highly productive, sometimes more so than full-time workers, because their work is concentrated. But some labor organizers, like Karen Nussbaum, president of District 9 to 5, a group associated with the Service Employees International Union, said companies are turning to part-time workers to thwart unions.

There are two major purposes of part-time work, Miss Nussbaum said. "One is to reduce costs for employers and the other is to create an ever-more transient, temporary work force." Such a work force would be difficult for unions to organize, she said.

But part-time work remains attractive, particularly to homemakers, because of shorter hours and flexible schedules. Today, 30 percent of the nation's employed women and 13.1 percent of the employed men are part-time workers, according to the Bureau of Labor Statistics.

And there are more than twice as many people who work part time because they want to than those who work part time but would rather work full time, the bureau said.

## WORLD BRIEFS

### Nigerian Election Violence Continues

LAGOS (UPI) — Further gains in gubernatorial elections Tuesday by President Shehu Shagari's National Party of Nigeria triggered fresh violence in two states and more charges of ballot-rigging.

With results in from eight of the 19 states, the party registered victories in Anambra, Bendel, Borno and Oyo. In Anambra, a stronghold of the Nigeria People's Party, the NPP chairman, Ademirun Ogunsanya, denounced his party's defeat by Mr. Shagari as "barefaced robbery."

In Ogun state in western Nigeria, currently held by the Unity Party of Nigeria, demonstrators set fire to the federal television station in Abeokuta, disrupting transmission. Earlier, the police confirmed at least nine persons had been killed in election violence, with the worst trouble centered in Oyo state, a traditional UPN stronghold.

### Swiss Panel Backs UN Membership

BERN (UPI) — The foreign affairs committee of the Swiss parliament voted Tuesday in favor of Switzerland joining the United Nations on condition that the nation's armed neutrality is guaranteed.

The vote — 26 to 6, with 2 abstentions — followed a government recommendation made in 1981 and renewed this year that Switzerland join the world body. The government plans to hold a national referendum on the question in 1985.

Switzerland has asked the UN secretary-general, Javier Pérez de Cuellar, for a special document under which the organization would undertake to always respect Swiss armed neutrality. Mr. Pérez de Cuellar said he would consider the proposal, officials said.

### Aquino Reported on Way to Manila

NEW YORK (UPI) — Benigno S. Aquino Jr., the Filipino opposition leader, has left Boston on his way to Manila, ending a three-year self-imposed exile in the United States, his wife, Cory, confirmed Tuesday.

Mrs. Aquino said in a telephone interview that "my husband left alone Saturday on his way back to the Philippines." She declined to disclose the former senator's whereabouts for security reasons.

The political rival of President Ferdinand E. Marcos announced two weeks ago that he intended to return to Manila on Aug. 21, despite a government warning of a plot to assassinate him. Mr. Aquino, who said he did not believe the death threat, faced the possibility of being arrested and jailed in Manila, where he is accused of subversion, murder and illegal possession of arms.

### Unions Seek Sanctions Against Chile

BRUSSELS (Reuters) — The world's largest non-communist trade union group called on all countries Tuesday to isolate the government of President Augusto Pinochet of Chile.

The International Confederation of Free Trade Unions, which says it represents 85 million workers in 95 countries, said recent killings of unarmed demonstrators were proof of "the moral as well as economic bankruptcy of the Pinochet regime."

John Vanderveken, head of the confederation, which sent a fact-finding mission to Chile in July, called on governments to halt all military aid to Chile and to make human and trade union rights a condition for all political, economic and financial contacts with the country.

### Iran Hopes to Quadruple Production

LONDON (Reuters) — Prime Minister Mir Hossein Musavi of Iran presented Tuesday the Islamic republic's first five-year plan, the start of a project to quadruple production by the turn of the century.

The Iranian news agency IRNA quoted Mr. Musavi as telling parliament that the country's economy had a potential annual growth rate of 7 percent over the next 20 years.

He predicted the value of gross domestic production would rise to 34 trillion rials (about \$400 billion by the year 2003 from the current level of 8.8 billion rials).

### Turkish Officials Close Second Paper

ISTANBUL (Reuters) — Martial law officials shut the conservative daily newspaper Milliyet, staff members said Tuesday night. It was the second large Turkish paper to be closed in a week.

The military authorities closed the rightist paper Tercuman, also in Istanbul, on Aug. 10. Neither publication was given a reason or told how long it must stay closed.

It is the first time since a 1980 military coup that Milliyet has been shut and the first time two major daily papers have been closed at the same time. The move may reflect government sensitivity to criticism of its close control of new political parties that want to contest general elections on Nov. 6.

### Diplomatic Dispute Continues in U.S.

WASHINGTON (AP) — Oleg Sokolov, the acting Soviet ambassador to the United States, said that there has been "no progress whatsoever" toward resolving the case of a Soviet diplomat's son who may want asylum in the United States.

Mr. Sokolov met Monday with Richard R. Burt, an assistant secretary of state for European affairs, and declared afterward that the Russians would not yield in their refusal to allow U.S. officials to meet with Andrei Berzhikov, the 16-year-old son of an embassy first secretary.

"We insist and continue to insist on an unhindered departure of Andrei Berzhikov and his family to the Soviet Union from the United States without any prior interviewing by anybody from the U.S. authorities," Mr. Sokolov said. "This is our position of principle."

### NAACP Leader Opposes '84 Drive

ST. LOUIS (UPI) — The executive director of the NAACP, Benjamin Hooks, said Tuesday that 1984 would be the wrong time for a black presidential candidacy, because such a race would hinder efforts to defeat President Ronald Reagan if he ran for re-election.

Mr. Hooks also said that it was unrealistic to believe that a black contender could become president when there were no black governors or senators. "I don't believe we want to disillusion a lot of people into believing a black candidate could win the presidency," he said at a news conference.

Mr. Hooks said the organization's position had been formed before the Rev. Jesse Jackson became a possible contender. He said the NAACP's stance was not personally directed at Mr. Jackson.

### For the Record

JERUSALEM (Reuters) — Israel on Tuesday doubled the tax on Israeli traveling abroad to \$100 dollars as part of a series of austerity measures.

## U.S. Health Panel Asks Further Study of VDTs

By Philip M. Boffey  
New York Times Service

WASHINGTON — The National Institute of Occupational Safety and Health has rejected a recommendation by eminent scientists that no further research be needed into the health effects of video display terminals.

Barry Johnson, an agency administrator, disputed recent conclusions by a panel of experts assembled by the National Research Council that problems associated with the terminals, known as VDTs, are primarily a matter of "annoyance to workers" rather than a public health problem.

"It's more than annoyance," said Mr. Johnson, the director of the agency's biomedical and behavioral science division. "We don't know the extent of acute, reversible effects on the eye or the possible musculo-skeletal consequences of prolonged use of VDTs."

Mr. Johnson's comments, which he said reflected the agency's position, amounted to a partial rejection of the research council's report on the effects of VDTs on vision, which had been commissioned by the institute as part of a study of possible health problems.

He said his agency agreed with the council's major findings, specifically that VDTs did not cause cataracts or other permanent visual damage and did not emit significant amounts of radiation. The report, Mr. Johnson said, was "in the main a good one" and had been "prepared by an excellent panel."

But he said the agency disagreed with what it understood to be the panel's belief that no further research was needed on whether VDTs caused eye strain or other reversible visual problems. And he suggested that more research was also needed on the compatibility of VDTs with lighting and the working environment.

The research council is the operating arm of the National Academies of Science and Engineering. It convenes committees of experts to advise the government on a range of technical issues.

The council's report emphasized the application of existing knowledge. It offered some suggestions for new research but indicated that other occupational health research might take higher priority.

## Group in U.S. Urges Ban on TV Ads For Life-Size Game of Stalk and Kill

CHAMPAIGN, Illinois — The National Coalition on Television Violence wants to ban TV ads for an adult life-size war game that features simulated "declarations of war and due to the death."

The game, being promoted by National Survival Game Inc. of New London, New Hampshire, is played by adults who stalk one another over wooded terrain, trying to shoot the "enemy" with paint pellets shot from pistols.

The Survival Game, already operating at scattered locations around the United States, is expected to be established in 200 private parks in the United States and Canada by the end of the year. Similar parks are planned in Western Europe and Australia, the company says.

"The commercialized promotion and spread of this war game is very dangerous," said Dr. Thomas Radecki, chairman of the coalition and professor of psychiatry at the University of Illinois School of Medicine.

## AUCTION SALES IN ZURICH 10-19 November 1983

Consignments accepted until August 31

- Furniture
- Paintings
- Jewellery
- Modern graphic works
- Swiss Engravings
- Sculpture
- Clocks
- Porcelain, Faïences
- Asian works of art
- Old master prints
- Books
- Carpets
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- Musical instruments
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## Part-Time Work Is Growing Phenomenon in U.S.

(Continued from Page 1)

is that many people work part time so they can pay more attention to their families, education or leisure activity. There is also an apparent rise, some experts said, in workers sharing a single job to gain time off or avert layoffs.

Some employers who suffered from the recession have put trained workers on part-time schedules so they will be on the payroll when there is a recovery, said Henry Schachter, deputy director of economic research for the American Federation of Labor and Congress of Industrial Organizations.

Other experts said economic pressures had forced many employers to institute part-time work to reduce costs, and similar pressures have driven many women, older Americans and others who might ordinarily not do so to working part time.

From 1970 to 1982, while voluntary part-time workers rose to 12.4 million from 9.5 million, or 32.6 percent, involuntary part-time workers increased to 5.8 million from 2.19 million, or 16.6 percent.

The number of involuntary part-time workers is the highest since the category was first recorded by the Bureau of Labor Statistics in 1955.

Most part-time jobs are in production work, according to experts. Few managerial people or professional workers work part-time, these experts said, because employers believe important employees should work full-time and most managers or professional workers believe they will be considered ambitious or not sufficiently interested in their companies if they seek to work part time.

The AFL-CIO said an illustration of the nation's economic problems and the changes in the workplace can be gained by combining the number of the unemployed, the number of those who have given up looking for work, and the number forced to work part time.

Last year, 10.6 million people were listed as unemployed, with 1.5 million listed as having given up looking for work. When the 5.5 million involuntary part-time workers are added to these categories, the result, more than 18 mil-

lion, represents 18.2 percent of the nation's employed workers for 1982.

Sar A. Levitan, a professor of economics and director of the Center for Social Policy Studies at George Washington University, said many part-time workers were "in almost the same circumstances as the unemployed workers" because income was cut and benefits were often lost. Mr. Levitan said many of the working poor were part-time workers.

Yet for a number of industries part-time workers, defined by the Bureau of Labor Statistics as those who work less than 35 hours a week, are considered desirable, particularly in service jobs. And, according to Robert Martin, associate director of community development for the Chamber of Commerce of the United States, the jobs are valuable for women with home responsibilities, students and elderly people who need extra income.

Employers said that in many cases part-time workers are highly productive, sometimes more so than full-time workers, because

their work is concentrated. But some labor organizers, like Karen Nussbaum, president of District 9 to 5, a group associated with the Service Employees International Union, said companies are turning to part-time workers to thwart unions.

There are two major purposes of part-time work, Miss Nussbaum said. "One is to reduce costs for employers and the other is to create an ever-more transient, temporary work force." Such a work force would be difficult for unions to organize, she said.

But part-time work remains attractive, particularly to homemakers, because of shorter hours and flexible schedules. Today, 30 percent of the nation's employed women and 13.1 percent of the employed men are part-time workers, according to the Bureau of Labor Statistics.

And there are more than twice as many people who work part time because they want to than those who work part time but would rather work full time, the bureau said.



## Guatemalan Leftist Says Rightist Coup Has Aided Chances for Insurgency

By Christopher Dickey

Washington Post Service

MEXICO CITY — A leader of Guatemala's leftist guerrillas says their chances of mounting a successful revolution have improved since General Oscar Mejia Victores, the country's conservative defense minister, deposed President Efraim Rios Montt last week.

Sebastin Aguilar, a member of the directorate of the Revolutionary Organization of the Armed People, said in an interview that he represents his group in Mexico City in what he called a diplomatic capacity. He said that General Mejia Victores' Aug. 8 coup would have a "positive effect" on his organization's efforts.

Mr. Aguilar called General Mejia Victores' announced plans to hold elections "an effort to distract attention" from what he called the government's repressive policies.

Guatemala's rebels have no interest in participating in elections, he said, or in negotiating with the rightist government.

Mr. Aguilar said General Mejia Victores is known for his "strong attacks and impolitic positions" in dealing with both domestic and international issues.

Indeed, the records of the governments they have fought have been among the rebels' greatest assets. For example, the Reagan administration has been unable to provide Guatemala with significant military aid because of international reaction to allegations of massacres and torture of indigenous.

General Mejia Victores is likely "to project an even more negative image of the military regime" than many of his predecessors, Mr. Aguilar said.

Although General Mejia Victores reportedly has taken steps to abolish the special courts that secretly tried and then publicly executed 15 persons in the past year, he was one of their most outspoken supporters as defense minister.

After Pope John Paul II's unsuccessful attempt to obtain clemency for a group of condemned men in March, General Mejia Victores was quoted as saying there would be even more executions.

"You can't protect the people with prayers and pardons," he was reported to have said.

Another cause for hope among

the rebels, Mr. Aguilar said, is the likelihood that the new regime will be unable to fight more effectively than did General Rios Montt.

The former president's campaign against the four principal Guatemalan guerrilla organizations, of which the Revolutionary Organization of the Armed People is one, was the most sophisticated, both militarily and politically, that the region has ever seen.

"It was a pretty integral plan, pretty complete, that included political as well as military aspects," Mr. Aguilar said.

The guerrillas expect General Mejia Victores to return to a more traditional military response.

Mr. Aguilar said that such a strategy, even if given direct or indirect U.S. support, is not likely to prove effective.

In addition, the rebels are encouraged by renewed unity, after a period of dissension among the four groups.

In January 1982, when the insurgents seemed to be making strong headway against the government then headed by General Romeo Lucas Garcia, the groups united into a front called the Guatemalan National Revolutionary Unity.

The rebels continue to operate under that banner. But the overthrow of General Lucas Garcia in March 1982 and General Rios



Oscar Mejia Victores

Montt's aggressive political and military campaign cost the insurgents much of their open support in the countryside, lost them a large number of fighters and pushed their union to the breaking point.

But this summer, particularly, they began to regroup. According to Mr. Aguilar, units of his organization and another called the Rebel Armed Forces are now operating jointly, if sporadically, in Chimaltenango province, less than 70 miles (113 kilometers) from the capital.

Also, the urban guerrilla groups have resumed their activities after suffering severe reversals under General Rios Montt.

## Defense Minister in El Salvador Denies Report of Arms Pact With Guatemala

Reuters

SAN SALVADOR — The Salvadoran defense minister, General Carlos Eugenio Vides Casanova, has denied reports that El Salvador and Guatemala have reached a military cooperation agreement under which Guatemala would train Salvadoran soldiers in exchange for weapons.

General Vides Casanova said Monday that El Salvador could not afford to give up weapons needed for its fight against leftist insurgents.

"Maybe in the future, six months or a year from now, they could help us train troops," he said.

"But training would never be in exchange for other things, it would be a collaboration between two

armed forces helping each other."

Sources in both countries had said earlier that Guatemala, which is also fighting leftist guerrillas, offered counterinsurgency training to the Salvadoran Army last week in exchange for surplus arms.

The agreement was said to have been reached just after General Oscar Mejia Victores took power in a military coup in Guatemala.

Meanwhile, a law pardoning leftist guerrillas who surrender voluntarily lapsed Tuesday, after the Constituent Assembly, El Salvador's parliament, failed to approve a second extension. The law, which went into effect in May for 60 days, prompted 504 rebels and their supporters to surrender, a government spokesman said.

## FBI Said to Seek Polygraph Tests on Briefing Book

By Bob Woodward

Washington Post Service

WASHINGTON — The FBI is seeking Justice Department permission to administer lie detector tests to about a dozen people to resolve inconsistencies that have developed during the investigation into how Ronald Reagan's 1980 presidential campaign obtained documents from the Carter White House, according to government sources.

Included on the list of those to whom the FBI wants to give polygraph tests are William J. Casey, the CIA director, and James A. Baker 3d, the White House chief of staff.

Mr. Baker has said he received President Jimmy Carter's briefing papers for the 1980 presidential debate from Mr. Casey, who has said he does not recall seeing the papers or handing them to anyone.

A Justice Department spokesman, John K. Russell, said Monday that there would be no comment on methods the FBI might want to use in its investigation.

[United Press International reported in Washington that federal law enforcement sources denied that the FBI was seeking Justice Department permission to give the lie detector tests to Reagan aides.]

[The sources said the FBI was considering asking the Justice Department for permission to administer polygraph tests to several former top Reagan campaign aides but that no decision has been made. A source said the FBI did intend to re-interview a number of Reagan aides, however.]

FBI policy in such investigations leaves it up to the individual whether to take a lie detector test.

Official sources said Monday that the FBI was particularly interested in Mr. Casey, who directed Mr. Reagan's 1980 campaign and who has denied that it included an intelligence operation seeking information and documents from inside the Carter campaign.

Justice Department investigators, however, have discovered a memo in the Reagan campaign files to Mr. Casey from Max Hugel, an aide, that conveyed what an investigator said was "a strong, unavoidable inference" that such an operation was receiving information from someone working for President Carter.

The Hugel memo did not name the person, according to the sources.

"Anyone reading the memo would conclude that there was [an] agent, someone working for Carter but supplying information to the

Reagan campaign," according to another official who said that was his interpretation after reading the memo.

The memo does not conclusively prove the existence of such an operation, however, the officials said.

They said that even if such an operation existed it was not clear whether any law was violated.

Officials said they have not found anything illegal in the transfer of nonclassified documents, such as Carter debate briefing papers, that wound up in the files of Reagan campaign officials.

Mr. Hugel could not be reached for comment, but he had issued a categorical denial to a Time magazine reporter suggesting that he was involved in a Reagan campaign intelligence operation.

Mr. Casey and Mr. Baker have already been interviewed formally by the FBI, but investigators want to interview them again and request polygraph tests, according to government sources.

Officials said President Reagan had been interviewed recently by FBI agents and had cooperated fully.

Full Book Not Found

FBI agents who searched President Reagan's campaign files at a California library failed to find a copy of the full briefing book prepared for President Carter, sources told United Press International in Washington on Tuesday.

The disclosure seemed to indicate that either the Reagan campaign never had the full briefing book, only defense and national security portions, or that it was removed, discarded or destroyed before or after the controversy began.

## Chicago Judge Goes Undercover in Courtroom Sting

By Kevin Klose

Washington Post Service

CHICAGO — A judge from rural southern Illinois has emerged here as an undercover agent in a federal and state investigation of alleged bribery, ticket-fixing, influence-peddling and other corruption in the Cook County court system.

Since 1981, Brockton D. Lockwood, 39, an associate judge in Williamson County, has spent months handling cases in the heavily backlogged Cook County Traffic Court while secretly wired for sound and taping conversations for the Federal Bureau of Investigation.

According to legal sources and Chicago media reports, the sting operation, named Operation Greyhound after the wigs worn in British courts, has yielded information to be presented soon to a special grand jury.

Dozens of lawmen apparently posed as felons and lawyers in the three-year probe.

Informal sources said the investigation focuses on about a dozen judges, about 20 lawyers, several politicians, court officers, policemen, bailiffs and other habitués of the Cook County Unified Court.

The court has 300 judges and each year receives six million new

cases. These include every traffic ticket issued in the county.

The sources said the inquiry centers in part on alleged fixing by politicians in league with corrupt judges.

They said the judges either accept fees for freeing criminals or imposing lesser sentences or otherwise act improperly in handing down verdicts.

Mr. Lockwood, a graduate of Oberlin College and Vanderbilt University Law School who has been a Williamson County judge for five years, was used as a go-between to introduce FBI agents posing as lawyers to intermediaries, who allegedly handled illegal negotiations for the judges.

Sources said that Mr. Lockwood's easygoing manner helped to ingratiate himself with city folks and that he enhanced his image by wearing cowboy boots that also helped hide eavesdropping equipment.

In an interview with the Chicago Sun-Times, Mr. Lockwood estimated that "maybe one judge in eight is crooked" in Cook County.

He alleged that the judges' intermediaries include prosecutors, bailiffs, clerks and other court officials.

With a huge backlog of cases, the

Cook County court system is a unique creation of Chicago-style machine government divided into separate courts for almost every type of case.

As a result, the performance of an elected judge can be checked easily by party officials to determine how the judge performs in certain kinds of cases.

Reports of the undercover operation have circulated here for more than a year since two FBI men apparently bungled a fake mugging on a busy downtown street in March 1982.

Agents apparently hoped that it might eventually lead to dishonest police officers.

But the police soon discovered that the "muggers" had FBI identification stuffed into their socks and immediately suspected a sting operation directed at them.

For all the excitement it has generated, Operation Greyhound faces problems.

"I never saw a star witness call his own press conferences before," an official of the legal review board said of Mr. Lockwood.

"The normal format is for the U.S. attorney and the FBI to jointly announce that they have completed an investigation and evidence es-

jury, or they announce indictments."

U.S. Attorney Dan K. Webb, who has said nothing about the investigation, last week announced establishment of a Greyhound hotline telephone number to receive corruption information.

The FBI is reported to be in possession of so much information that it may take months to assemble evidence for a full grand-jury presentation.

Swedish Man Reported To Have Died of AIDS

STOCKHOLM — Acquired immune deficiency syndrome, or AIDS, has claimed its first Swedish victim, a man who died Friday, hospital sources said Tuesday.

Three other Swedes are known to have AIDS, and about 100 have shown symptoms of the disease. In Denmark, four victims have died and there are confirmed cases in Norway and Finland. The disease, for which no cure has been found, attacks the body's immune system and is most prevalent among homosexual men and intravenous drug users.

## Rebellion of California's Taxpayers May Be Cooling Off, Survey Shows

By William Endicott

Los Angeles Times Service

SACRAMENTO, California — A majority of Californians subscribe to a proposal by Democratic legislators that would give city and county governments the option of solving their fiscal problems by adding a penny to the state's current six-cent sales tax, according to a Los Angeles Times poll.

The poll also found some evidence that the tax revolt spawned by Proposition 13's passage five years ago may be abating. It also showed a sharp division along par-

tisan lines on the question of whether more taxes or more budget cuts would be preferable to meet the state government's financial obligations.

The question of aid to local government has become the focus of a major dispute between Governor George Deukmejian, a Republican, and the Democratic-controlled California Legislature. It is expected to occupy much of their attention in the final month of this year's legislative session, which resumed Monday after a three-week summer recess.

Ever since Proposition 13 sharply reduced property taxes, local governments have been receiving state aid to replace some of their lost revenue in a bailout program that is due to end Oct. 1. What form local government aid will take now is to be fought out over the next five weeks, with Democrats continuing to push their sales tax plan and Mr. Deukmejian just as adamantly opposing it.

In support of his opposition to the plan as well as any other general tax increase, the governor has pointed consistently to earlier opinion samplings as evidence that the public is opposed to new taxes.

But the Los Angeles Times asked 1,252 Californians, in a five-day telephone survey that ended Sunday, whether they favored continued state bailouts or the local-option sales tax plan. The responses showed 52 percent favoring the tax increase, while 32 percent favored continuing state aid and 16 percent either were unsure or declined to answer.

Although Mr. Deukmejian has indicated through his top aides that he might seek a tax cut next year if the state's economy improves enough to produce a budget surplus, more than five in 10 of those surveyed said they would prefer using the surplus to restore cuts that were made in social services this year. Nearly four in 10 — 39 percent — said that they favored a tax cut and 8 percent either were unsure or declined to answer.

## Benjamin Cohen Dies; Key Aide to Roosevelt

Washington Post Service

WASHINGTON — Benjamin V. Cohen, 88, who played a key role in creating New Deal legislation during the administration of Franklin D. Roosevelt, died Monday at Georgetown University Hospital here.

The cause of death was not immediately known.

Mr. Cohen, a lawyer, was one of the last survivors of the circle of presidential aides and advisers commonly known as Roosevelt's "brain trust." A shy and retiring man, he continued to live quietly here long after he left government service.

He and the man with whom he formed a celebrated partnership, Thomas G. Corcoran, came to Washington in 1933 at the start of the new administration and played vital roles in its first 100 days.

While holding a variety of relatively obscure government posts, Mr. Cohen and Mr. Corcoran, who died in 1981, were credited with writing most of the provisions in such measures as the Securities and Exchange Act, the original Wage and Hour bill and the Public Utilities Holding Company Act.

Mr. Cohen was also credited with the exchange of U.S. destroyers for British bases in the Western Hemisphere that helped Britain survive in the Battle of the Atlantic in the early days of World War II.

Alecu de Amoroso Lima

PETROPOLIS, Brazil (AP) — Alecu de Amoroso Lima, 89, a literary critic, author and theologian who wrote under the pen name Tristao de Athayde, died Sunday of cancer. He published about 80 works.

Jules Yabok

LOS ANGELES (UPI) — Jules Yabok, 76, an All-American for Colgate University in the 1920s and then a quarterback for the Brooklyn Dodgers in the infancy of the National Football League, died Sunday of heart failure.

Lee Head

NEW YORK (NYT) — Lee Head, 52, novelist and mystery writer, died of cancer Saturday at her home in Santa Fe, New Mexico. Miss Head received the Golden Spur Award of the Western Writers of America for her historical novel, "Horizon."

## Study for U.S. Congress Finds Success In Attempt to Slow Rising Arms Costs

New York Times Service

WASHINGTON — The Congressional Budget Office says its analysis of Pentagon documents "tends to support" to assertions by Defense Department officials that they are beginning to succeed in controlling the rising costs of major weapons.

However, the budget office analysts said in a report that inconsistencies and incomplete information in the Pentagon documents made it difficult to be sure about cost trends.

The study, issued late last week, said that questionable accounting practices cast doubt on a Defense Department assertion that the cost

of 62 major weapon systems had decreased by 18.4 percent in the last four months of 1982. The budget office said it calculated the costs for those weapons as having gone up 2.4 percent.

"Nevertheless," the report said, "this is the smallest cost increase reported for a fourth quarter since 1973."

The budget office report was viewed as likely to hearten Defense Department officials, who have been shaken by a series of disclosures contending that costs have been underestimated and that contractors had charged exorbitant prices for spare parts.

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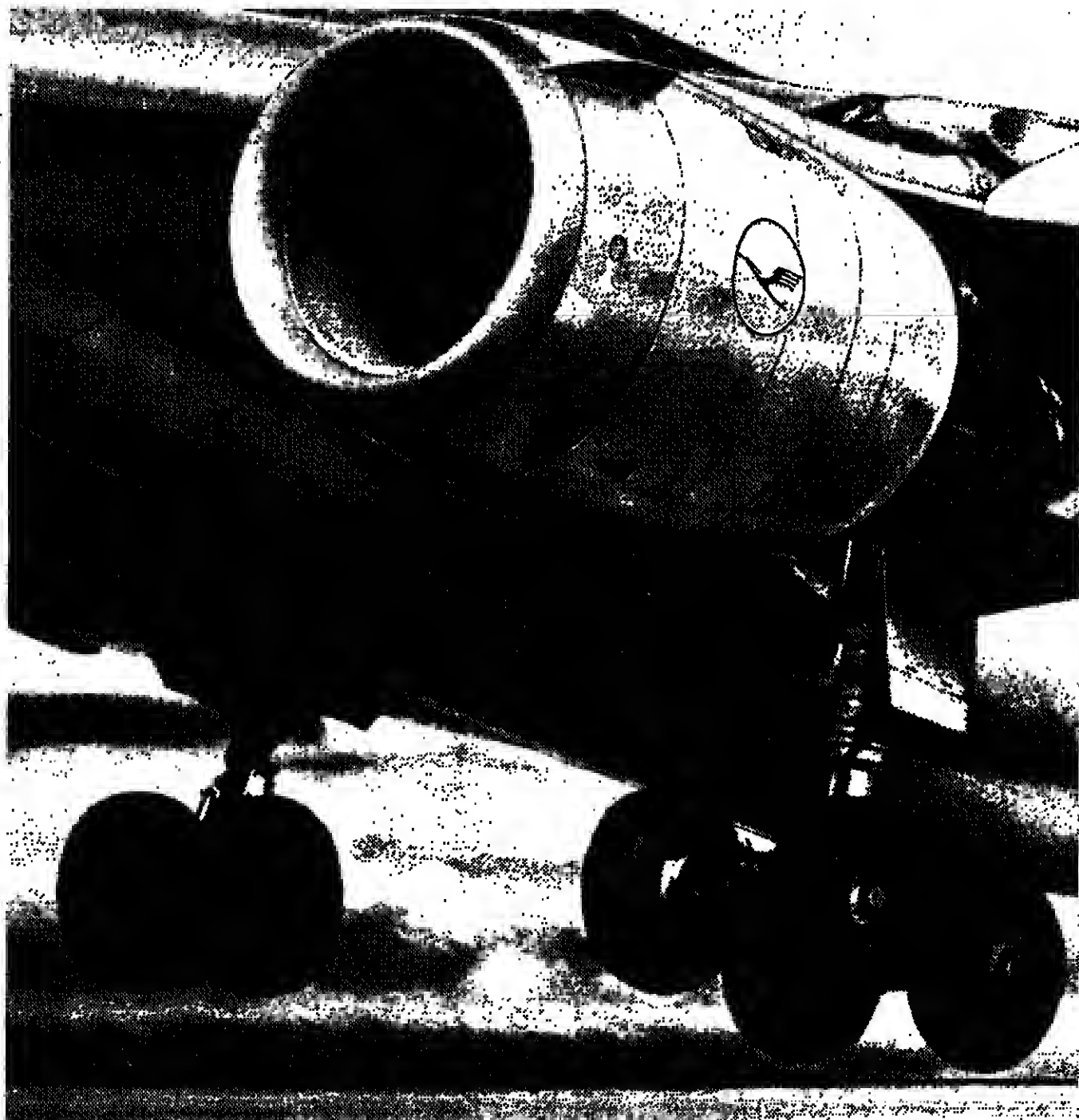
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# Herald Tribune

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## Full Circle in Chile?

Repression cannot forever substitute for politics in a sophisticated society, especially not when times are tough. That is an old lesson for which Chile provides the newest blackboard — and yet, as the bloody disorders there demonstrate, it is a lesson the Chilean government still doesn't understand. How long will it shut its ears to the clamor for change that now rises from all quarters? How much more innocent blood must be spilled to maintain its rule?

Chile was nurtured on democracy for a century, but for a decade it has lived with dictatorship. Its last democratic government, led by the leftist Salvador Allende, took office in 1970, ushering in a time of political and economic upheaval. Concern over Dr. Allende's radicalism led opponents, including the Nixon administration, to back a military coup.

They got it, from Augusto Pinochet, who took power and seemed by contrast to embody order and prosperity. The cost in human rights violations — thousands executed or sent to concentration camps, tens of thousands tortured and driven into exile — was appalling.

Still, the Pinochet regime won credit among many Chileans for finally damping down the left-right passions that had torn democracy apart. And its free market policies seemed for a time to bolster the economy. Only three years ago, during a soaring economic boom, voters backed a new constitution permitting the gen-

eral to stay in office through 1989. However, free market policies did not eliminate Chile's dependence on copper exports and on world economic conditions; and suddenly General Pinochet's popularity has evaporated. He was always opposed by the left, which bore the brunt of his repression. Now economic collapse has lost him the center and right. His regime's inability to accommodate peaceful protest threatens to alienate remaining centers of support, including the military command.

Since spring, centrist Christian Democrats and unionists have led demonstrations to press for democratic rule. They have won support from Chileans of all classes, desperate for economic relief. Washington has added its voice, although not as loudly as it should, to the chorus deploring the renewed repression.

The Pinochet government acts as if this were still 1973 and it need only face down the angry opposition of a discredited left. Then, repression eliminated the most radical elements. To respond in the same way to today's broad-based opposition risks an opposite effect, undermining the advocates of peaceful change and enhancing the appeal of more radical alternatives. What a sour paradox: Pinochet, failing to recognize changed circumstance and persisting in repression, risks leaving Chile in much the state he found it 10 years ago.

— THE NEW YORK TIMES

## Runaway, Soviet Style

It is easy to understand why Russian teenagers like America, where young people have great personal freedom, a variety of material goods and a life style that is markedly different from that available to youngsters in the Soviet Union. One doesn't have to reach questions of political and religious freedoms to know why a 16-year-old might prefer to stay in the United States, although they no doubt play a part, too.

Walter Polovchak, an immigrant from the Ukraine, was only 12 when he decided to remain in Chicago rather than return with his parents to his native country. Even though U.S. courts have held that he was improperly removed from his family's custody, he is still in Chicago and fast approaching the magic age of 18 as the appellate courts continue to review his case with all deliberate lassitude.

Now a second youngster appears to have made a similar choice, but because his father is a high-ranking diplomat in the Soviet Embassy the situation is far more complicated. Andrei Berezkhov, 16, disappeared from his home last Wednesday and apparently sent letters to President Reagan and to The New York Times expressing his desire to stay in America rather than go back to school in Moscow. His parents said he returned to his Chevy Chase home on Thursday, but they would not say where he was, or let any Americans talk to him. The embassy claimed the letters were forged.

Americans feel strongly about political asylum, and the U.S. government has taken ex-

traordinary steps to see that the boy is not removed from the country against his will. Unlike most refugees, however, Andrei was not fleeing from persecution but rather expressing a quite understandable preference for one society over another. Sentiment is strong that he not be sent back to a situation where he would be penalized for stating his preference and perhaps embarrassing his country abroad. We also have strong beliefs in family ties, however, and can empathize with any parents — the Polovchaks, the Berezkhovs or the Joneses next door — whose teenager wants to strike out on his own.

The dilemma is all the more poignant because the choice made by or on behalf of this 16-year-old will have permanent effects. If the Soviet Union were a free society, if emigration were a real alternative, it would be easy to say, "Go home for a couple of years with your parents and think it over. If you want to come back when you're 18 or 21, you'll be welcome." That is what would be done if the child were French or Brazilian or Indonesian. But we understand and we are profoundly concerned that if Andrei Berezkhov is sent back against his will, he may never be allowed to venture outside his own country again. It is because closed, repressive societies have tried to control citizens to this extent that these tragic cases arise — divided families, strained international relations and ruined personal lives.

— THE WASHINGTON POST

## Other Opinion

### Toward Democracy in Turkey?

Can Turkey still stay as a Western ally when she returns to democracy again? Can she believe her allies when they agreed with "Evrenism" in her most critical days? Can Turkey rely on those countries again?

These questions are asked in a document which emanates from the 16 Turkish political leaders of right and left who have been interned since June 2. The questions are ones which policy-making circles in Europe and the United States should be asking themselves with increasing discomfort.

Up to now the prevailing tendency in the West has been to give General Evren and his regime the benefit of the doubt. They did, after all, put an end to the terrorism that was claiming 20 lives a day when they took over in September 1980 and to the parliamentary stalemate which had paralyzed Turkey's political system. True, the limitations on freedom of expression seemed rather draconian, but they were widely assumed to be only a temporary aspect of martial law. Turkey, unlike Poland, is part of the West. Martial law had been introduced there to save democracy, not to stamp it out. Or so we thought.

But such a view is becoming less tenable. The moment of truth came on May 31, when the regime banned the first of the new parties that seemed likely to win substantial popular support and ordered the detention of Süleyman Demirel, the off-re-elected conservative prime minister of the past two decades, along with 13 other former politicians and two of

the new party's would-be founders. The deadline for formation of parties is now fast approaching and it is clear that only those whose leaders have been handpicked by the generals will be allowed to qualify.

Democracy means allowing people to make their own choices — which, it now appears, is precisely what Turkey's generals are unwilling to do. It looks as though what is planned is not, after all, the restoration of democracy, but the legitimization of continued military rule.

— The Times (London)

### Sri Lanka: A Hypothesis

The dislike, often the hatred, of casying people for the energetic and industrious could be one reason for the attacks by the Sinhalese on the Tamils in Sri Lanka. This is a political phenomenon that can be observed all round the basin of the Indian Ocean. There is the hostility of the Laotians, Cambodians and Thais for the Vietnamese; of all four of those peoples for immigrant Chinese; of the Indonesians and Malays for Chinese and Indians, most of the latter being Tamils; of the Burmese for Indians; of East Africans for Indians.

This is not to say that the people who do the resenting are lazy. For the most part they live in fertile, well-watered lands [and] many of these places have been underpopulated. Behind the Indian Ocean basin [are] two enormous reservoirs, in India and China, of excess people who have had to become industrious in order to survive in the struggle for existence.

— The Economist (London)

## FROM OUR AUG. 17 PAGES, 75 AND 50 YEARS AGO

### 1908: Incendiaries on Long Island

GREAT NECK, N.Y. — So many fires, clearly of incendiary origin, have occurred within the last two weeks in what are known as the "millionaire colonies" of Great Neck, Manhasset, Port Washington and other towns in the North Hempstead district of Long Island that radical measures have been determined upon, and there is earnest talk of the formation of a vigilance committee to run down and inflict summary punishment upon the offenders. No great alarm was felt until the fire became of almost daily occurrence. A lookout for the incendiaries was kept, and when the Wayside Yacht Club's house was destroyed, one man was captured, convicted and sent to prison for a year. However, this did not discourage what is now believed to be an organized band bent on destruction.

### 1933: Huckleberry Finn in Ivestia

MOSCOW — Mark Twain, if he were alive, would be amused to learn that when Muscovites perused the "Ivestia" [yesterday] morning over their tea and black bread they found ample reference to "Adventures of Huckleberry Finn" right in the middle of a serious article by Karl Radek, the most distinguished of Soviet journalists. The author of articles on Soviet-German relations in a recent issue of the "Koenigscher Zeitung" must be Tom Sawyer himself, says Radek, for just as that young American rascal told Huck they would have to find "somebody more complicated" than the obvious means of setting old Jim at liberty, so, he continues, the German newspaper looks for something more complicated than the simple truth to explain the lapse of Soviet-German friendship since the coming of the Nazis.

## A Father's Question:

## Will She Reach 51?

By Roger Wilkins

WASHINGTON — One morning recently I was at home reading a newspaper argument about the uses to which the MX missile can be put in arms control maneuvering and the proper way to interpret Andrei Sakharov's latest writing on nuclear arms, the Soviet Union and the United States. I was also trying to rock my 10-day-old daughter to sleep.

As I wondered whether a super weapon based in vulnerable silos could be considered useful for any purpose other than a first strike, the thought crossed my mind that it was obscene to ponder such things while holding a person who is 21 inches long and weighs about seven pounds. Then I realized that that was the exact circumstance in which I should think about nuclear weapons.

As an old father, I did not have to imagine the future; she was at hand. Her helplessness put a sharp point on the feeling of responsibility as an adult of this generation that I had already developed in a more general way in conversations with my older children. That responsibility was, quite simply, to wrestle with the nuclear problem right now, in my time.

The beginning of that task, it seemed to me, was to step outside of this moment — crammed with conventional thought and irrelevant immediacy — and look backward and forward as an actor in history.

The trick is to use memories of the past and imagination of the future as springboards to creative solutions to that part of history's problems that confront us today. In order to try to think about what I should do for my daughter, I tried to imagine what, if we continue on our present course, the world might look like in 2034, when Elizabeth is as old as I am now.

I thought about what my parents and parents of other people born in the winter of 1932 — Elizabeth Taylor, Andrew Young and Edward M. Kennedy, for example — would have done in that year had they been able to imagine the world their babies would grow up to inherit in 1983.

They had no clue that would have led them to imagine thermonuclear weapons, counterforce strategies or submarines that are really invulnerable missile-launching platforms. But if they had, don't you expect that the Taylors, Youngs, Kennedys and Wilkinses and people like them all over the world would have put almost everything aside in order to struggle to create policies that might avert the nuclear-trigger world in which their children are now ensnared?

Our generation has no excuses because, while for our parents the battleship Arizona may have been the most awesome weapon imaginable, our clues to the future are cruise missiles, SS-18s and the way America and the Soviet Union have MIRV'd the nuclear penit under the umbrella of the arms control process.

Our political imagination has failed. The comforting thought is that the arms control process can reduce the nuclear peril. The problem is that no one has peered into the future and given us a credible vision of an end to that process or to the arms race it tames and tides at the edges but does not stop or truly control.

Those who put their faith in the process point out that controls such as the ban on nuclear tests in the atmosphere and SALT-II have prevented the development of a number of fearful weapons which we would otherwise now be living. Perhaps, but we are now living with the fact that scientists on both sides are working feverishly to push the state of the weapons art far beyond the capacities of the highly mobile SS-20s or the awesome Trident D-5 missile.

We know that they are working on fifth generation computers and third

generation nuclear weapons that incorporate laser technology.

The joint history of arms control and weapons development tells me that some of the ideas in the world's weapons laboratories will be developed, and some of those deployed.

Since there is no evidence to suggest that the wisdom of human beings will sweep upward in a trajectory paralleling the state of the art of weapons development or the proliferation of nuclear capacities throughout the world, I cannot imagine a 2034, or that my daughter has much of a chance to reach the age of 51.

So it seems to me that we have to invent new ways to handle the nuclear future, to imagine new politics.

But world-weary sophisticates mired in the present assure us it can't be done, and warn that we are stuck with arms control as our best hope. People who call for general and complete disarmament are accused of being dreamers and of having destroyed the centrist consensus for arms control. Those who call for mutual, large-scale destruction of portions of existing weapons stockpiles are ignored. People who have suggested that the concept of national sovereignty may be obsolete are accused of attempting to reinvent politics.

The point is, however, that once the physicists reinvented violence four decades ago, it became imperative to rearrange human relationships in order to deal with the monumental realignment of our relationships to the physical world and to each other.

The task of inventing the future and inventing politics that will preserve it would seem the least we can do for those we condemn to live in it.

The writer is a senior fellow at the Institute for Policy Studies in Washington. He contributed this comment to The New York Times.

## A Tale: The Sensible Inventor

By Arkady Averchenko

THE Defense Department of a country, the name of which is of no particular relevance, received a visit one day from a gentleman of fortune and a gentleman of letters.

"Take me to someone," he said, "who understands things I have some important information for him. About aviation. I have made an invention which I wish to sell, an invention that signifies a revolution in the entire art of warfare. Whoever buys my invention therefor has superiority over his adversary."

Everyone was of course delighted to hear that, and the inventor was promptly introduced to an old and dignified general.

The general offered the inventor his most comfortable chair, and inquired: "What then, my dear sir, is the nature of your invention?"

"I have constructed a type of 'aircraft,'" said the inventor, "which can stay aloft for a week, carries a battalion of soldiers and resists any kind of weather. Perhaps you would like to buy this aircraft?"

And after the general had given his word of honor not to misuse the inventor's good faith, the latter took a sizable package out of his pocket and spread out his plans and drawings.

"Yes..." said the general, after

he had examined the material. "It is just as you say. For how much would you sell this invention?"

"For a million."

"Bravo!" said the general, and embraced the inventor. "Here you have a check drawn on the national Treasury. A cool million! And when next you have something, please don't hesitate to come up —"

"I already have something for you," said the stranger slyly. "Something quite astounding."

"And what would that be?"

"I have constructed a missile which would destroy your aircraft in a few moments, and so thoroughly that it would fall to earth like a sack of flour. The aircraft is totally defenseless against this missile."

"Well now," said the general, knitting his brow, "see here. That does strike me as a bit peculiar! Have you no sense of decency? First you invent a really usable aircraft, then you shoot it down with your own cannon?"

"I don't know what there is to be ashamed of," said the visitor coolly. "You will have to admit that the technique of warfare continually perfects itself, and that nobody can stay

put on a course once taken lest he fall back and suffer defeat. My aircraft is indeed a terrible weapon! It is therefore obvious that a defense must be devised against it."

"Granted," the general said with some hesitation. "There is little choice for us but to buy your cannon, if we don't want you to sell it to someone else, which would be quite within your rights. How much?"

"A million."

The general wrote the check, tapped the inventor on the shoulder and said cordially, "You really are quite a guy, I must admit. Quite something, you know, to construct such a missile."

"Now then, things are out so bad as all that. There's remedy for anything in this world."

"But," said the general, "what I mean is... As far as I can see from the drawings —"

"Yes, yes certainly the missile is a terrible weapon. But then..."

The inventor sat down again and looked at the general with surface ingenuity. So he said slyly: "But then, what would you say if I entrusted you with a little secret? You see, to protect the aircraft against the missile, I have invented a protective shield — so strong that the missiles could not even strike it."

The general put his hand on his brow. "Are you trying to drive me crazy? You should have offered me the protective shield right away!"

"Now really," said the inventor in a superior tone, "the art of warfare, and the technique of war in particular, must develop organically if it is to be sound. Such leaps as you suggest don't exist."

Both sat in silence for a while. The general pondered strenuously, the inventor puffed comfortably on his cigar. Finally the general made his decision, sat up straight and inquired: "How much?"

"A million."

"At least take one half."

"Out of the question," said the visitor. "Others would give much more for that shield."

"Yes, yes," the general sighed. "You are insatiable. All right, it will have to be here. Take your million! Go ahead, run us."

The inventor put the check with the others, shook the general's hand and took a step toward the door.

"Just a moment," the general said. "One more thing. You are absolutely sure of your case? I mean, the shield can resist any fire?"

"The general smiled. "From my cannon? Naturally."

"So we can rest easy?"

"No question. That is, of course, on the understanding that, of our new missiles of unusual penetrating power will be invented."

"What? And you seriously mean to imply that they will be invented?"

"Without a doubt."

"Merciful heaven! But when?"

"They have been invented."

"By whom?"

"By me."

The general uttered a derisive laugh. "So, so. And now you will offer us the new missile, right? And then you will grin all over your face and inform us that you have a shield in stock — isn't that right?"

"No doubt."

The general waved his hands about as if possessed, tore out a strand of his hair and screamed: "May the devil devour you — alive! May the earth swallow you up! You have trapped us into an ambush from which we cannot find the way out! You are plundering us! You are sucking our blood! You are ruining our country! What is your name? At least give us your name so we can curse you on every street corner!"

"You may insult me as much as you like," the stranger said icily. "That makes you no smarter, and me no dumber. My name I shall not give you, but if you had a bit more sense than you do, you would realize that I am a logic incarnate, that I am in fact Soviet Common Sense itself!"

"But your own comprehension is not much to boast about, and that is also the reason why it is irrelevant whether your country ruins itself with the arms race in 10 years or in 10 minutes. Human genius has spoken to you, and you, you imbecile, try to throw him out! That, after all, should be no concern of mine; everyone makes a fool of himself as best he can. But you, you don't even have the gumption to ruin yourself properly once and for all! Good day!"

With this observation the stranger slammed the door behind him and left the Defense Department of a country the name of which is of no particular relevance.

This essay was written in 1919 by a Russian writer who had edited a popular satirical journal, *Satirikon*, from 1908 to 1913. It is reprinted, abridged here, from *The New York Times* and from *IPPNW Report*, the newsletter of International Physicians for the Prevention of Nuclear War.

## Summitry and the Soviet Strategy

By Edward N. Luttwak

WASHINGTON — Can it be that we are once again succumbing to the illusions of summit diplomacy? Détente was made of arms control talks, summit meetings and expectations of a costless peace. We already have the arms control talks and now pressures are mounting for a summit meeting. It would be a grave mistake to give in to that allure — to take the easy path of competing with Moscow's public diplomacy rather than confronting its military strategy.

The Soviet Union continues its relentless effort to achieve military supremacy, not merely symbolic superiority in this or that category of weapons. Its imperial rule over Eastern Europe is, as ever, threatened by Western European freedoms, and Soviet control of the East seems to Moscow to require a prevailing influence over the West.

The Kremlin has been unable to impose communism, just to prohibit West Europeans from encouraging Eastern dissidents.

Lacking economic leverage, and with its ideological appeal in sharp decline, the Soviet Union must rely on military intimidation to achieve the necessary degree of influence. NATO has always been too weak for conventional defense but has been able to avoid intimidation by nuclear deterrence. So the key to the Soviet strategy is to use the threat of nuclear war to impose its will on the West.

Confronted by rearmament across the board, arousing in the process much political opposition.

Understandably enough, the public would rather think of nicer things than nuclear weapons, and we would all rather spend money for purposes more constructive than the accumulation of weapons. Thus the very effort to resist Soviet grand strategy has offered much scope for Soviet public diplomacy.

In addressing America, one tactic has been to deny the need for rearmament by discounting the magnitude of Soviet military power. But the major thrust of Soviet diplomacy has been to evoke nostalgia for détente, for the peaceful convivial-

ity interrupted by President Carter on what Soviet spokesmen call "the pretext of Afghanistan."

The purpose is clear: to slow down or stop the Reagan rearmament without inhibiting the Soviet military buildup. The next step along this seductive path would of course be a summit meeting.

Mrs. Reagan could wear a set of new gowns in the Kremlin, while the president captured the peace vote merely by bugging Yuri Andropov once or twice.

It may make political sense to electioneers in the White House, but the summit meeting would make it infinitely more difficult to resist Soviet military strategy. Once all those television pictures of happy, peaceful conviviality flood America in living color, the administration will find it even more difficult than it is now to persuade Congress of the need for rearmament.

It is easy to compete with Soviet public diplomacy. A yielding arms control policy and a summit meeting are quite sufficient. Contending with Soviet military strategy is a more costly and risky business. So far the administration has resisted the temptation to take the easy way. As the election year approaches, its resolve must hold firm.

The writer, a senior fellow at the Center for Strategic and International Studies at Georgetown University, is the author of the forthcoming book "The Grand Strategy of the Soviet Union." He contributed this comment to The New York Times.

## Soviet Technology Is Better Than Often Supposed

By John W. Kiser 3d

WASHINGTON — Russia, British historian Thomas Carlyle once wrote, is a "big, dumb monster." The Reagan administration obviously agrees.

Acting on the assumption that the Soviets are desperate for American technology and know-how, Washington has sought to build new barriers to block Soviet access to Western ideas and machinery that it thinks the Russians cannot live without.

But if the U.S.S.R. is so backward, how has it managed to build submarines capable of going 40 miles an hour underwater — faster than any of America's? Why are Bristol Myers, Dupont and 3M buying patented Soviet drugs and surgical devices? Why are Kaiser Aluminum and Olin Corporation acquiring Soviet manufacturing know-how?

I am in the business of trying to acquire Soviet and East European inventions and know-how that have commercial potential for American companies. I got into this field after doing a number of studies for the federal government and others on Soviet and East European technology.

My experience has left me modestly impressed with Soviet technological strengths — but powerfully impressed by American ignorance of them. When I tell people what I do, they are astonished that U.S. companies could find anything of technological value in the communist bloc.

This perception of the Soviet Union is perhaps understandable. Americans have been exposed to a stream of publicity about the Soviet theft of U.S. industrial and military secrets, and there is some evidence that the KGB and other Soviet intelligence agencies have an active illegal technological acquisition program throughout the West. Like other countries, the Soviet Union also openly buys specialized Western technology, from cigarette-making machines to chemical processing technology and truck factories.

One should not infer that the Soviet Union is hopelessly backward, or that the West has little to learn from

its scientists, engineers and inventors.

The Soviet Union is indeed plagued by economic problems. Its consumer goods and industrial products often don't measure up to Western standards. A great deal of its innovative laboratory research, creative product design and excellent applied science never shows up in final products because of bureaucratic inertia and bottlenecks. Good ideas get degraded in production by inadequate manufacturing methods and poor quality control. These problems are not self-correcting in a system where a factory can sell virtually anything it produces due to chronic shortages and lack of competition.

In other words, there is a Soviet technology gap — but it is mostly within the Soviet Union itself. It is a highly advanced society, but one that is constantly frustrated by problems rooted in its system of economic incentives and industrial organization.

It is true that shopkeepers in Moscow and Kiev still use the ancient abacus to tote up the bills of customers. But Soviet hydroelectric power stations operate with sophisticated Soviet-made computers.

If Americans had an opportunity to see Soviet shipyards, visit a continuous steel casting plant in Novolipetsk or inspect an electronics melting line in Dnepropetrovsk, they would get a view of sophisticated industrial technology at work.

If the West fails to grasp the true nature of the Soviet economy and Soviet technological capabilities, it will fall into facile miscalculations — like the belief that the West could bring Russia to its knees through all-out economic warfare.

In almost every case in which the West has denied specific technologies to the Soviets, they have eventually developed capabilities of their own. Examples range from synthetic industrial diamonds (now a major Soviet export item) to vacuum remelting furnaces that make the high alloy steels for aerospace.

Americans tend to judge Soviet accomplishments by American standards rather than theirs. Americans stress appearance, while the Soviets frequently stress simplicity and functionality. As a result, Soviet equipment often looks crude and unfinished to Westerners. That distracts them from a more fundamental question: Does it do the job?

Soviets understandably resent the fact that Westerners don't give them credit for their achievements.

For example, Russians have drilled the deepest bore hole ever drilled — a geological boring in the Komi Peninsula that goes down nine miles. The Soviets have pioneered development of lasers, laid much of the groundwork for current high energy physics and accumulated more experience

manufacturing industrial materials in space than the United States.

Yet the Reagan administration's technology policy toward the Soviet Union has been almost entirely defensive, and has ignored the potential for American gain from Soviet brains. It has focused public attention on the threat to national security posed by Soviet acquisition of American science and technology. It has tended to lump together the illegal espionage activities of the KGB and the ordinary activities of scientific communication and legitimate industrial information gathering of the kind that all countries engage in.

This is the first of two articles. The writer is a Washington consultant who specializes in technology brokering and government research. He contributed this comment to The Washington Post.

## LETTER TO THE EDITOR

### A Moscow View of Soviet-U.S. Difficulties

Both Marshall D. Shulman and Charles W. Maynes, writing on Soviet-American relations in the July 13 issue of the *International Herald Tribune*, avoid commenting on the validity of the main argument in the Reagan administration's current anti-Soviet drive. This argument centers on the myth that the Soviet Union allegedly poses a threat to the United States and to its interests throughout the world.

Unfortunately, almost two decades of the Cold War have conditioned Americans to accept this myth unquestioningly. But even a cursory survey of the history of Soviet-American relations proves unequivocally that the U.S.S.R. has never threatened the United States. Moreover, every and any time that Washington assumed a more conciliatory stand toward Moscow, the Soviet government was willing to meet relations.

One can assume with a great de-

gree of certainty that had the West, at the time that Soviet-American diplomatic relations were established, gone all the way to establish a workable and long-lasting good relationship with Moscow, the tragedies connected with Hitler's coming to power in Germany could have been avoided. It was the disunity of the major powers at that time which enabled him to pursue his aggressive course.

In the postwar era, too, much of the difficulty could have been avoided had the West not switched from cooperation to Cold War confrontation with the Soviet Union.

International tensions subsided only when the Nixon administration accepted the détente concepts. In his article Mr. Maynes repeats the oft-heard accusation that the Nixon team "oversold" détente. But he avoids discussing the pros and cons of this policy. Possibly he is doing this for the reason that the pros of détente



## Nkomo Arrives Home From U.K. Self-Exile To Jubilant Welcome

By Glenn Frankel  
Washington Post Service

**HARARE, Zimbabwe** — To cries of jubilation and thanksgiving from hundreds of supporters, Joshua Nkomo returned to Zimbabwe on Tuesday, issuing a fervent plea for solidarity and sacrifice to reunite his politically divided homeland.

"Let us not go back to history, but let us look forward to what we are trying to achieve," Mr. Nkomo told followers who gathered outside his Harare home hours after his arrival from London. "We have our problems and they cannot be solved by anybody but ourselves."

Mr. Nkomo, returning after five months of self-imposed exile, alternated between reconciliation and defiance as he appealed for "selflessness" in overcoming Zimbabwe's problems.

"We must not be frightened that we will lose face," he said at a press conference. "What is our face compared to the face of Zimbabwe?" Mr. Nkomo lashed out at a reporter for a government news publication who questioned Mr. Nkomo on a claim that soldiers had killed his driver during a March raid on his Bulawayo home that triggered his flight into exile. Actually, the driver was wounded, not killed.

"Let us not go back to history," Mr. Nkomo said, "because if you start talking about history, there will be a lot of bodies here."

He also denounced security restrictions, dating to the days of white-minority rule, but still enforced by the black-majority government of Prime Minister Robert Mugabe, that could prevent Mr. Nkomo from holding rallies here.

"This is why I'm talking about a solution to end all this nonsense that remains," Mr. Nkomo shouted, to whoops of support from his followers.

It was a bittersweet homecoming, filled with both triumph and uncertainty for the 66-year-old Mr. Nkomo, who fled across the border to Botswana in March. He said at the time that Mr. Mugabe's government was seeking his death.

Mr. Nkomo returns as Mr. Mugabe appears to be in firm control of the government and is pressing forward with his determination to turn the country into a one-party state under his Zimbabwe African National Union. It is unclear what role, if any, Mr. Nkomo and other leaders of the opposition Zimbabwe African People's Union would play in such a political system.

Mr. Nkomo also faces a series of

personal uncertainties, beginning with the possibility that he will be expelled Wednesday from Parliament because of his long absence. Government officials have said they would press forward with the expulsion move despite his return, although there was official silence on the matter Tuesday.

In keeping with a pledge by officials, there were no police present at Harare airport for Mr. Nkomo's arrival Tuesday morning. But Home Affairs Minister Herbert Ushewumunze, who is in charge of the police, accompanied Mr. Nkomo on the flight from London.

Airport officials greeted Mr. Nkomo's arrival cordially. He was denied use of the VIP lounge and was detained in a customs office for more than an hour while officials went through his belongings, which included six suitcases and a large array of electronic equipment such as a tape recorder and video cassette player.

But despite the long wait for clearance, nothing could take away from the drama of Mr. Nkomo's return. As he left customs and made his way into the airport lobby, supporters broke into spontaneous hand claps and high-pitched traditional shouts of delight. Nearly 100 were present even though the homecoming was only announced publicly on Monday.

Nearly three hours later at Mr. Nkomo's compound in the western suburb of Highfield, hundreds of supporters gathered to hear him talk to the press. They heard Josiah Chinamano, who was acting head of Mr. Nkomo's party during his absence, welcome their leader home. They said the party had remained strong in his absence.

"You know what happens when a hen nursing chickens disappears by unforeseen circumstances — the chickens come together in fear," Mr. Chinamano said. "So your people did that, they came together solidly, not in fear but in triumph with their heads up."

They heard Mr. Nkomo dismiss the differences between himself and Mr. Mugabe, saying that if he could manage to work together with former Prime Minister Ian Smith, who had imprisoned both men for nearly a decade before independence, he could work with Mr. Mugabe.

Mr. Nkomo and Mr. Mugabe fought together against Mr. Smith in an umbrella organization known as the Patriotic Front. "It was the biggest believer in the Patriotic Front," said Mr. Nkomo. "Those who murdered it, I'm not one of them."



Immigrants in La Courneuve, a Paris suburb where tensions over foreigners have flared.

## In a Troubled Summer, Immigrants Become a Focus of French Discontent

By E.J. Dionne Jr.  
New York Times Service

**LA COURNEUVE, France** — "Look at this place," said the young Algerian as he made a sweeping gesture toward the drab concrete blocks that house 4,000 families here. There were apartment towers as far as the eye could see, and to the young man who called himself Abdel, that was no accident.

"The place is totally closed," he said. "Everywhere you look, we're surrounded by these towers, and they've got this shopping center for us in the middle. It's as if they don't want us to leave."

The place is called the City of 4,000, a project built just outside Paris in the early 1960s to provide temporary lodging for white Algerians who left Algeria after independence. They moved out of the project many years ago, and Algerian Arab migrants moved in, sharing ramshackle modernity with Moroccan, Portuguese, Caribbean, and Spanish, and a few French people.

In this muggy, troubled summer, the City of 4,000 has become a symbol of the bad blood between France and the foreigners who have come here seeking work.

Early last month a 10-year-old Algerian boy named Toufik Ouanmes was setting off fireworks with his friends outside one of the blocks late at night. He was shot dead by an angry resident using a sawed-off rifle.

The shooting was national news for most of the month, and officials spoke of a "hot summer."

Politicians responded to the incident with proposals, threats, and promises, and President Francois Mitterrand visited the City of 4,000 and pledged to make things better. After taking office, Mr. Mitterrand's Socialists legalized the status of about 130,000 illegal immigrants, and were also the first government officials to give formal recognition to the immigrants' organizations.

But the unemployment rate has gone up since then, and the immigrants, who were once welcomed to take the jobs no one else wanted are now competitors. This has worked

to the advantage of the conservative opposition, which argues that the Socialists have not done enough to keep new immigrants from coming in, or to throw illegal visitors out.

The Socialists have repeatedly accused the opposition of racism, but they also want the French public to know they have heard the message.

Georgina Dufoux, the secretary of state for families, population and foreign workers, recently told the magazine *Le Point*: "If the French should make the effort to understand the culture of these foreign residents, then those people should respect French laws and French habits of life."

Of a French population of about 54 million, there are an estimated 4.3 million foreigners, up about 90,000 from last year. Portuguese are the largest single national group, 860,000 strong. But it is the 1.5 million North Africans, about half of them from Algeria, who loom large in the public mind.

"Let's face it," said Abdel, "the French see us Algerians as the people who kicked them out of Algeria and then, once we kicked them out, we packed up and came to France."

Abdel is part of the "second generation," the sons and daughters of migrants who have spent far more time in France than in North Africa. Talking about people like them is now the vogue among policymakers, who fear they will pose an explosive social problem.

Many young Algerians, like Abdel, choose to stay in France, which is really their home, but to keep the Algerian citizenship.

One result is that the foreign population is short on political power. "Maybe 30 percent of this project can vote," Abdel said.

The main characteristic of politics among foreign workers these days is its defensiveness, an atti-

tude rooted in worries about losing a job, being thrown out of France, having to return to a country that is no longer one's own.

And there is also a concern over what, if anything, might result from fear on the part of the French hosts. A 27-year-old unemployed man calling himself Nono said he believed that little good would come of the wave of attention paid to the North Africans since Toufik Ouanmes was shot.

"I don't trust journalists who come out here," said Nono. "They write about how dangerous it is and these things about how badly we live that just are not true."

As he spoke, a young man drove up in a car, left the keys in it and walked away for about a half hour. The car was still there when he came back. "And look over there," Nono said. "That's a Frenchwoman sitting and talking with a black man. See those two French girls walking into that building? Nobody's bothering them."

But that is not the reality the French public sees, and the Socialists have few illusions about what they can do. Their policy amounts to cutting off further immigration, trying to make marginal improvements in the lives of the immigrants who are already here and, above all, hoping that assimilation will run its course.

"We're going through a hard period and one of the solutions is to let time pass in the best way possible," said Mrs. Dufoux. "Over several generations, people begin to take on the characteristics of the country they moved to, and they begin to be accepted."

## Riot Victims In Sri Lanka Seek Security

Union Asks Government To Guard Indian Tamils

Reuters

**COLOMBO, Sri Lanka** — Thousands of people of Indian origin, victims of last month's racial riots, are seeking assurances of protection from the Sri Lankan government.

The Ceylon Workers' Congress, the main trade union for employees on the island's tea plantations, has sought a meeting with President Junius R. Jayewardene to discuss measures to enable them to live in Sri Lanka "with dignity, safety and security as equals with the rest of the population."

Savumayamoorthy Thondaman, the president of the union who is also Sri Lanka's minister of rural industrial development, said he would have to advise people of Indian origin, including those who had Sri Lankan citizenship, to go back to India if the government was unable to give them adequate protection.

The trade union said in a statement that a concerted attempt had been made to destroy the houses and belongings of people of Indian origin during the riots.

Indian Tamils, now numbering around 825,000, are the descendants of people brought from south India by the British more than 100 years ago to work on tea and rubber plantations in the central highlands.

They form a separate group from the Sri Lankan Tamils, who live mainly in the northern and eastern provinces and are demanding a separate state.

Sri Lanka and India signed agreements in 1964 and 1974 under which 375,000 "stateless" Indians in the island nation formerly known as Ceylon would be granted Sri Lankan citizenship and 600,000 would be repatriated to India.

Through the end of last year, 406,000 people had been repatriated and Sri Lanka had given citizenship to 176,000.

The union's national congress has asked its leaders to request India "to open its doors to all people of Indian origin, be they citizens of Sri Lanka or stateless, to enter and settle down in India within six months."

Miners Killed in South Africa

Reuters

**JOHANNESBURG** — Six miners were killed in an accident in the world's deepest gold mine, Western Deep Levels, southwest of Johannesburg, a mine spokesman said Tuesday.

## Influx of Foreign Labor Causes Social and Legal Problems in Gulf States

By John Kohur

**MANAMA, Bahrain** — An influx of expatriate workers that began 10 years ago has caused social and legal problems in Gulf states and growing concern over the long-term effects of a life-style largely dependent on foreign labor.

Some Gulf officials say the large foreign communities, which in Kuwait, the United Arab Emirates and Qatar are larger than the local community, threaten the customs, values and even security of Arab society.

Since the early 1970s, when the Gulf states used their oil wealth to launch ambitious development programs, millions of people from poorer Arab and Asian countries have been lured by the prospect of high wages.

Some are highly trained professionals, but most work as manual laborers or in service industries in Saudi Arabia, Kuwait, the United Arab Emirates, Bahrain, Oman, Qatar and Iraq.

Third World diplomats said that although Gulf states were firm with unscrupulous employers, many expatriate workers were either unaware of their rights or afraid to make formal complaints.

Unable to switch jobs legally without receiving a release letter from original employers, some workers abscond to escape tough work conditions or because they find higher wages elsewhere.

In Bahrain, transient foreign workers, once tracked down, are returned to their sponsors, helped to find other jobs or deported.

Earlier this year the United Arab Emirates, where more than 80 percent of residents are foreigners, introduced a law requiring foreigners to leave the country for at least six months before being allowed to change employers.

Dubai's deputy director of immigration and naturalization, Abdulrahman Hareb, was quoted as saying the law was designed to end corrupt practices, including "illegal snatching" of labor.

"Some sponsors even traded in the visas under the old rule which allowed an expatriate to change sponsorship from the original employer for payment of a fee," he said.

Gulf officials are also looking at the less obvious costs of employing so many foreigners.

Bahrain's labor and social affairs minister, Sheikh Khalifa Bin Sulman Bin Muhammad al-Khalifa, said that relying on foreigners in the operational and maintenance stages of projects "is a worry" because those who stay for long peri-

ods eventually want to bring their families, creating "a drain on services at large."

A 1981 World Bank report said that because Middle East labor-importing countries subsidize food, fuel, water and electricity, the real cost of foreign workers was much greater than their wages.

Although there is a slowdown in development programs because of a drop in oil revenues, diplomatic sources said Gulf states were drawing out rather than canceling development projects, and they expected no dramatic decrease in the expatriate population.

Among Gulf officials there are signs of growing anxiety.

A senior official in Kuwait's Labor and Social Affairs Ministry, Abdullah Ghaloum Hussein, said last month that foreign workers endanger the social structure of the region and threaten security.

The ministry's undersecretary, Issa Yassen, later said that Mr. Hussein's statement was not an official view and said non-Arabs posed no security threat.

Dubai's police chief, Colonel Dhahi Khalaf Tamim, said recently that a large expatriate community compounded a growing drug trade problem in the Gulf.

## Khmer Rouge Left 2.7 Million Dead, Phnom Penh Says

The Associated Press

**BANGKOK** — More than 2.7 million people died under the Khmer Rouge rule of Cambodia from 1975 to early 1979, the Vietnamese-backed government that replaced the Khmer Rouge said Tuesday.

Cambodia's state-run news agency, SPK, said the figure was based on interviews with survivors. In recent weeks the Heng Samrin government has been releasing province-by-province statistics on those who perished.

The Khmer Rouge, led by Pol Pot, toppled the U.S.-supported government of Lon Nol in April 1975. They evacuated cities, forced people into communes and executed suspected enemies in mass groups. Large numbers of people also died of disease and starvation.

When the Hanoi-backed government took power, it estimated that three million people had been killed by the Khmer Rouge. Other sources have also placed the toll in the millions, although outsiders have found it impossible to obtain precise information.

## Liberals' President Sees British Allies Merging

By Brian Cathcart

**LONDON** — Britain's Liberal and Social Democratic parties, which fought as allies in the June election, are merging at the grassroots level despite hesitation among their leaders, the Liberal Party's president said Tuesday.

Since the election, when the alliance won a quarter of the national vote but captured only a few parliamentary seats, leaders of both parties have been arguing over whether to merge completely.

The president of the Liberals, John Griffiths, writing Tuesday in the party weekly, said a survey carried out last month showed a merger was taking place in many areas regardless of the arguments.

The experience of campaigning together in the election, when each district was allocated a Liberal or a Social Democratic candidate under an allocation plan accepted by the parties' national leaders, has welded local parties together, he said.

Calls for a formal merger have come from senior figures on both sides, but the Social Democratic leader, David Owen, and the Liberal leader, David Steel, have said their parties were not yet ready for it.

The Social Democratic Party was formed in 1981 by moderates who broke from the Labor Party.

The Liberals, once a powerful force, have been a minority group in Parliament since World War II.

Mr. Griffiths warned the two parties' leaders against what he called the easy option of allowing the present relationship to continue.

"National allocations as in 1983 can never work again: it is just not acceptable to too many Liberal associations," he wrote.

Drastic measures are not needed but the leaders will have to work out some deal under which local party groups can choose their own

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## Soviet Court Sentences Nazi Accomplice to Die

The Associated Press

**MOSCOW** — A Soviet citizen accused of collaborating with the Nazis during World War II has been given the death sentence and his appeals for mercy have been rejected, the official news agency Tass reported Tuesday.

Tass identified the man as Alexander Korol, from the village of Lysynin, formerly Romanovo, in the Belarussian Republic, bordering Poland. According to the report, Mr. Korol was a key figure in the massacre of 140 women, children and elderly men from Lysynin on June 12, 1942.







## INSIGHTS

# Clark Advocates Tough U.S. Stance

## 'Judge' Has Become Reagan's Top Foreign Policy Adviser

By Steven R. Weisman

New York Times Service

WASHINGTON — In a bookshelf in the modest White House basement office of William P. Clark, the assistant to the president for national security affairs, there rests a U.S. marshal's badge and a Colt .45, known in the old West as "the Peacemaker." Today the gun, once used by Mr. Clark's grandfather against cattle rustlers in California, serves as a symbol of peace through strength in American foreign policy. President Ronald Reagan liked the name so much that he called the new MX nuclear missile "Peacemaker."

Unlike his predecessors in the national security post, Mr. Clark is a self-proclaimed foreign policy novice who makes no television appearances, gives few speeches and fewer interviews, writes no learned papers and expresses no original foreign policy concepts. Yet he has become the most influential foreign policy figure in the Reagan administration. Eighteen months ago, when he assumed his job after a year as deputy secretary of state, he was reluctant to assert his conservative views. Now, he is the president's chief instrument for guaranteeing that his administration takes a hard-line approach to communism and Soviet influence in the world.

Mr. Clark has become the administration's most forceful advocate for accelerating U.S. military involvement in Central America. He orchestrated the recent dismissal of Thomas O. Enders, assistant secretary of state for inter-American affairs and the official in charge of Latin American policy, and has assumed virtual control himself. He persuaded Mr. Reagan to approve large-scale military exercises in the Caribbean, and infuriated Republicans and Democrats alike by not consulting Congress in advance.

### Growing Influence Worries Many

His close former Secretary of State Henry A. Kissinger to serve as chairman of the Bipartisan Commission on Central America. Impatient with the lack of progress in negotiations over Lebanon, he had his own national security deputy installed as special envoy to the Middle East. Mr. Clark's maneuvering has cast a deep shadow over the State Department as well as the office of secretary of state.

Mr. Clark is also the strongest White House voice in backing the Defense Department's increased spending requests. He is the administration's biggest proponent of putting economic pressure on the Soviet Union, as well as of assuming a tough stance at the nuclear arms control talks in Geneva.

Many in the foreign policy community — in Congress and in the administration itself — are increasingly worried about the extent of his influence. Support on Capitol Hill for the MX missile seems to be diminishing, for example, in part because of doubts about Mr. Reagan's commitment to arms control — an area where Mr. Clark's influence is rising. Until recently, the national security adviser was only one voice in formulating arms talks strategy. In July, however, Mr. Reagan placed him in charge of a new Senior Arms Control Policy Group, overseeing the entire process.

In Central America, Mr. Clark sees the threat of falling dominoes. "If we lack the resolve and dedication the president asked for, can we not expect El Salvador to join Nicaragua in targeting other recruits for the Soviet brand of communism?" he asked in a recent speech. "When,



Clark: A hard-line approach...

some sit, will Mexico and then the United States become the immediate rather than the ultimate targets?"

But in a major administration setback, the House of Representatives voted last month to sever clandestine support of counterrevolutionaries on Nicaragua's borders. Republicans and Democrats were furious at what they felt was a lack of consultation on the part of Mr. Clark and others.

Mr. Clark's dominance as national security adviser raises troubling questions. Seldom has a man so inexperienced become so powerful in helping to shape U.S. foreign policy. Yet in some respects he is ideally suited to the job. All presidents depend on their national security advisers to be utterly loyal and to reflect their world views. Mr. Clark, a rancher, lawyer and former California Supreme Court justice whose friendship with the president goes back 17 years, clearly fulfills that role.

No one at the White House can match the confidence that Mr. Reagan places in him personally. He has more access to the president than anyone else at the White House, and no one is more devoted to letting Mr. Reagan act on his instincts.

### Dealing With Trepidation

Seated in his office, Mr. Clark, a tall, boyish 51, twirls his gold half-moon reading glasses and talks about his job.

"Sure, I deal with a certain trepidation in these areas — not because I have a limited background in number of years, but rather in consideration of the gravity of each," he says. "But I've never felt inhibited by a lack of background, because I feel the process is really no different here from what it was on the court. It's human experience, human nature, trying experience and human nature to determine credibility of sources — whether it be your own bureaucracy, the press — on where lies the truth. And once you feel confident that you have the truth on a set of facts, it's not difficult to make a recommendation."

To help put the huge amount of information he absorbs into context, Mr. Clark relies on his administration colleagues, his staff members

and his instincts. He also leans on such "old hands" as former Presidents Richard M. Nixon, Gerald R. Ford and Jimmy Carter. An important source of counsel has been his frequent conversations with Mr. Kissinger, particularly on the Middle East.

Associates of Mr. Clark agree that, upon first becoming national security adviser, he felt he could simply serve as an honest, anonymous broker for others, especially for the secretaries of state and defense, the director of central intelligence and others in the foreign policy bureaucracy. Mr. Clark took nearly a year to conclude that the idea was impractical, a friend says, and that "cabinet secretaries are all parochial, so you've got to decide yourself what to do."

Another factor in Mr. Clark's increasing confidence is suggested by a previously undisclosed episode at the end of last year. Mr. Clark submitted his resignation, a friend says, because he had become fed up with battling James A. Baker 3d, the White House chief of staff, and Michael K. Deaver, deputy chief of staff, over the defense budget and the president's daily schedule.

Mr. Reagan refused the resignation. Colleagues say that since deciding to stay, Mr. Clark has become increasingly willing to assert himself. "He's now willing to take more risks and be less deferential to his colleagues," says one close Reagan associate.

### Private Sessions With Reagan

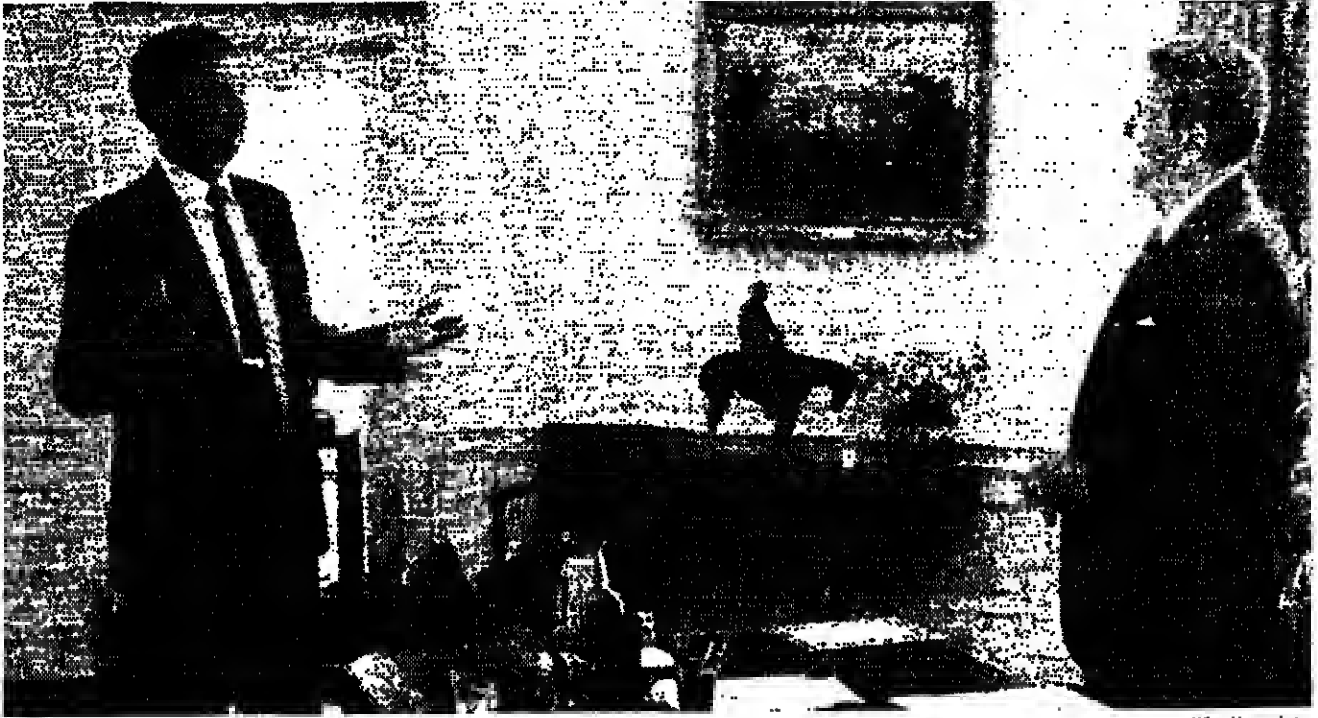
At the White House, Mr. Clark reserves his counsel for his daily briefing with the president alone, and his solitary manner has caused much anger and resentment among colleagues.

Colleagues observe Mr. Clark ambling back from his private meetings with Mr. Reagan and wonder what important decisions are coming that might catch them by surprise. Senior presidential aides were among the last to know about plans for Central American military exercises last month. Their inability to answer the questions of congressmen contributed to Mr. Reagan's recent House defeat on covert aid to the Nicaraguan rebels.

Mr. Clark shares one of Mr. Reagan's firmest convictions: that he was elected to try to reverse the failed policies of Presidents Carter, Ford



... to Soviet policies.



A friend of Mr. Reagan's for 17 years, Mr. Clark has more access to the president than other White House officials.

and Nixon in dealing with the Russians. To Mr. Clark, the 1970s represented "a decade of neglect for the security needs of the United States."

"What happened in the last decade," Mr. Clark told the Veterans of Foreign Wars last year in Los Angeles, "was one of the greatest voluntary reversals of a global power relationship in the history of man. Do any of you believe we were more secure or more respected with a liberal foreign policy that glossed over differences with the Soviets and never stood firm with our allies? No, kiss-on-the-check foreign policy did not bring us closer to peace."

Secretary of State George P. Shultz says that Mr. Clark and he have had no "fundamental" policy disagreements. "He is, I think, very effectively performing this extremely tough job," Mr. Shultz says. Still, administration officials say there is widespread consternation at the State Department over its tangles with the national security adviser.

### Sanctions Angered Allies

Mr. Clark has consistently placed more faith than Mr. Shultz in the effectiveness of economic sanctions against Poland and the Soviet Union. He is convinced that Soviet behavior can be modified with such sanctions.

At the State Department, economic sanctions are widely regarded as unrealistic. Most European allies have opposed them as dangerous and counterproductive. Yet last year, Mr. Clark persuaded Mr. Reagan to override the objections of then-Secretary of State Alexander M. Haig Jr. and impose sanctions on European companies in an attempt to stop construction of a pipeline enabling the Russians to sell natural gas to Western Europe.

The anger among Western European nations over the sanctions was so great that it caused the most serious strain in the Atlantic alliance in years. Under pressure from Mr. Shultz, Mr. Reagan eventually lifted the restrictions.

Mr. Clark's views about the Russians and arms control break with the traditions of the past three administrations in two fundamental ways. Every recent president has taken the position that there is no greater priority than arms control negotiations. Mr. Clark disagrees, believing that other matters deserve equal attention.

In addition, Mr. Clark firmly believes the

Russians have gained such a military advantage over the United States, particularly in land-based missiles, that such negotiations must reflect that balance. A key administration official says Mr. Clark "doesn't believe in arms control as an end in itself," but as a tool to eliminate Soviet superiority.

William Patrick Clark was born Oct. 23, 1931, in Oxnard, California. In high school, he was a good student and popular football player who did well enough to get into Stanford University. He left Stanford for the University of Santa Clara, and later enrolled without a college degree at Loyola University Law School in Los Angeles. After a year, he was drafted and served for two years in Germany as an army counterintelligence agent.

He returned to Loyola with a young wife, Joan Bruener, a Czechoslovak refugee he had met in Germany, and a child to support. He worked days as an insurance adjuster and went to evening classes. He found it difficult to keep up his studies, and his dean suggested another area of study. Mr. Clark refused to quit, and without a law degree, he studied for the California bar examination and passed the second time.

### Simple Approach to Government

His family had all been Democrats but, like Mr. Reagan, Mr. Clark found himself becoming disenchanted with big government. By 1966 Mr. Clark was heading the Reagan gubernatorial campaign in California's Ventura County. After the election Mr. Reagan, who had met Mr. Clark only briefly, called on the 35-year-old lawyer to join him in Sacramento. Mr. Clark served Mr. Reagan first as cabinet secretary, coordinating state agencies, and later as executive secretary.

While in the governor's office, Mr. Clark established the "minimemo," requiring all proposals to the governor to state the issues, the facts, the analysis and the recommendations. If the memorandum was more than a page long, Mr. Reagan might ignore it.

With their simple, conservative approach to government, Mr. Clark and Mr. Reagan became friends. Beginning in 1969, Mr. Reagan appointed Mr. Clark to a series of seats on the bench, each time dissuading the legal establishment, which thought him woefully unqualified. During and after the 1980 presidential cam-

paign, Mr. Clark, who generally eschews the rough and tumble of elections, remained aloof from the Reagan entourage. Finally he was persuaded to serve as the president's eyes and ears at the State Department as deputy secretary of state. Mr. Clark remains proud of his career on the bench and likes to be called "Judge."

### Hearings Were Disastrous

Mr. Clark's 1981 confirmation hearings for the State Department position were disastrous. He was unable to name the heads of government of Zimbabwe and South Africa and, among other things, confessed ignorance of which European countries had refused American nuclear missiles on their soil.

Yet, as deputy secretary of state, Mr. Clark impressed many colleagues as a hardworking and effective student of diplomacy who displayed no small gifts of his own in mediating between the White House and his volatile superior, Mr. Haig.

Some of Mr. Clark's friends are certain that eventually the president will appoint him to the U.S. Supreme Court. Mr. Clark says he isn't interested. "I truly look forward to getting back to the solitude of the ranch," he says, referring to his 880-acre (354-hectare) ranch in the region known as the California chaparral. More than a few expect Mr. Clark to become White House chief of staff.

In the absence of foreign policy breakthroughs, Mr. Reagan and Mr. Clark face major difficulties sustaining public support for administration policies. If anything, skepticism in Congress and among voters seems on the rise. As Americans sense that they might be heading through a time of risks, Mr. Clark's emergence as the key shaper of policy could be what forces a public debate on the appropriateness of force — or the threat of it — to produce results. Already, as the political season begins, the argument over how the United States should influence events abroad has become more contentious than it has been since the Iran hostage crisis.

After a year and a half advising Mr. Reagan behind the scenes, Mr. Clark may be forced to spend more time in the future communicating his views to the public. One way or another, the president's fortune seems more tied to Mr. Clark than ever.

# Hong Kong Takes Break in Making Money to Ponder the Chinese Imponderable

By Steve Lohr

New York Times Service

HONG KONG — Thinking about the big what-if question — what if China takes over Hong Kong? — has seldom been a preoccupation of the people of this British crown colony. They have been too busy making money. Every so often in the past, though, residents of this bastion of capitalism on the underbelly of China have had to confront the precariousness of their situation.

In 1967, for instance, with the Cultural Revolution rolling China, militant Maoists in Hong Kong took to the streets, throwing bombs and rioting. Many people with the wherewithal fled the colony. Yet after it became clear that the rioters had no support either in Beijing or among the local Chinese the Hong Kong police handled the outbreaks firmly but with restraint.

This time around, however, Hong Kong's case of the jitters promises to be a prolonged one, involving as it does the year 1997, when Britain's lease from China on 90 percent of the colony's territory expires.

China has never formally recognized Britain's sovereignty over Hong Kong. Forced to sign what China calls the "unequal treaties," the Qing dynasty in 1842 and 1860 gave Britain the nearly 35 square miles (90 square kilometers) of Hong Kong Island and part of the Kowloon Peninsula "in perpetuity." On July 1, 1898, the rest of the peninsula and the surrounding islands, collectively known as the New Territories and covering about 376 square miles, were leased to Britain for 99 years.

### High 'Anxiety Level'

From the standpoint of business, which is the lifeblood of Hong Kong, 1997 is just around the corner. Many commercial mortgages and other business contracts run for 15 years. After the countdown passed the 15-year mark in July 1982, tensions mounted. The colony's stock market sank to the lowest levels since the stock market crash of 1973. Property prices, which had been among the highest in the world, plummeted by 40 percent to 90 percent. Last year, Hong Kong's economic growth slowed to 2.4 percent, down from 10.9 percent in 1981.

"The anxiety level is very high, there's no doubt of that," said Ronald Butten, an immigration counselor at the Commission for Canada in Hong Kong. "But no one is really panicking yet, and in 1967 there was panic. Now, the anxiety is at the what-if stage."

Pending definite word from Beijing on the colony's future after 1997, few major investments are being made; government plans to build a new airport have been shelved.

The colony's jitters have not gone unnoticed in Beijing. Since the Communist Chinese stake in Hong Kong is considerable, Beijing has stepped up efforts to bolster the colony's flagging morale, such as offering loans below the market rates to local manufacturers and making million-dollar industrial investments.

Last month, the Chinese-British talks, which had been stalled for months, entered a new stage. Sir Edward Youde, the governor of Hong Kong, joined the negotiations in Beijing for the first time; his participation is seen as a sign that discussions have started in earnest on such practical matters as the governmental framework of



The Central District, Hong Kong Island's capitalist heart, dominates the foreground, with Kowloon Peninsula across the water and Causeway Bay to the right.

Hong Kong after 1997. Talks were held early this month and will resume in September.

Beyond its immediate effect on Hong Kong, the resolution of the issue has far wider implications. Not only could it help pave the way for the eventual reunification of Taiwan and mainland China, but it would ultimately be a pronouncement of what China sees for itself in the years to come.

### Population Squeezed

From the barren island and a handful of fishing villages that it was when it was ceded to Britain in the mid-19th century, Hong Kong is today the world's third-largest financial and gold trading center. The colony, with about three-quarters of its 5.3 million population squeezed into the 38 or so square miles of Hong Kong Island, Kowloon and New Kowloon, is one of the most densely populated areas in the world.

Hong Kong is a place that draws itself in vivid colors, a veritable laboratory of life at the extremes, brimming with contradictions. It is a thriving colony in an anti-colonial era. Its economy is probably the purest strain of free-market capitalism to be found anywhere today; yet it is inextricably bound to China, its social and political antithesis. At the same time that the colony appears to have more Rolls-Royces per square mile than anywhere else on earth, about half a million people live in ramshackle squatter settlements.

For decades, Hong Kong has jealously guarded its right to do what it is best at doing: making

money and living high on the hog. Whether it can go on with that way of life is now in doubt.

Given sufficient assurance that the status quo will not be unduly upset by the changeover to Communist hands, most of the colony's predominantly Chinese population would choose to remain. Although 2 million people have fled to Hong Kong from the mainland since 1945, the colony's refugee mentality has been fading as, over the past decade, the rewards of its dynamic economic growth have spread, creating a sizable middle-class with a stake in the territory.

It is fading as well for purely demographic reasons: Enough people have remained to make a living and raise families, so that five years ago slightly more than half of the population was born in the colony.

### Less Forbidding

Furthermore, changes in China itself in recent years have made that country less forbidding. The helmsman in China since the death of Mao has been the pragmatic Deng Xiaoping, and if trade with the West has expanded, China's business transactions with Hong Kong have increased more than sixfold — to \$6.2 billion — since 1975.

For the first time in decades, Chinese cities are on the business and tour itineraries of a large number of Hong Kong people. Last year, 3.6 million trips were made by Hong Kong residents to China, more than four times the number in 1976, the year Mao died. In addition, workers from the colony intermingle with those

from the mainland in China's special economic zones, enclaves of free-enterprise and foreign investment.

Judging by the statements of Beijing officials and their representatives in Hong Kong, the Chinese position seems to be this:

Sovereignty will pass to China by 1997, Hong Kong's social and economic system will remain essentially as it is now. Hong Kong people will run Hong Kong; Beijing will not send its representatives down to take over.

The timing of the transfer of administrative authority out of British hands is also crucial. Maria Tam, a barrister and member of Hong Kong's Legislative Council, believes that the British will have to stay beyond 1997 for a "transitional period." She also doubts whether China will allow Hong Kong the independence that some of Beijing's pronouncements imply.

"There will be no third China," she says, referring to Taiwan. Nevertheless, China's new constitution, adopted late last year, makes a provision for "special administrative regions" that will have their own social, economic and legal systems.

Just as no one doubts that Hong Kong's future will be decided in Beijing and nowhere else, it is equally obvious that the stakes are much higher for China than for Britain. British companies and individuals trading in Hong Kong might bring about \$100 million a year to the British economy. The colony, the last major remnant of Britain's empire, is also a major asset in Britain's relations and business with the Chinese.

China, on the other hand, may be getting up to \$8 billion a year, or 40 percent of its total foreign exchange earnings, from trading with and through Hong Kong as well as remittances from overseas Chinese. In addition, the colony's entrepreneurs are the principal investors in China's special economic zones, on which the Chinese are depending to help create jobs and economic growth. Last year, investment by Hong Kong Chinese in Shenzhen, the special economic zone just across the border, dropped sharply, in part because of the concern about the colony's future.

In short, if China is to modernize and industrialize, as its leaders plan, it needs a thriving, capitalist Hong Kong as a conduit for technology, know-how and money from abroad. Moreover, in Hong Kong the Communists have been invertebrate capitalists themselves. China has a few billion dollars worth of direct investments in Hong Kong, ranging from banks and department stores to trading companies and tailor shops. If Hong Kong goes down the drain, so does the value of those investments.

China's task, then, is to devise, without sacrificing its national dignity, a settlement that will restore confidence in Hong Kong, especially in view of the fact that the historical patterns in China have not been particularly reassuring. The colony's residents who came from Shanghai remember all too well the Communists' promise there in 1949 that industrialists and others could continue to operate, but many of those who stayed behind were later branded "running dogs" and exploiters of the people.

Nevertheless, for all the upheavals in the mainland since the Communists came to power, China's hands-off policy toward Hong Kong has been remarkably consistent. That consistency has been based in part on Hong Kong as a source of much-needed foreign currency, but it is also based on the colony's role as a social safety valve for China, absorbing immigrants and refugees from the Communist system.

What is more, nothing ever made Hong Kong an issue. Because the colony could not survive without China's consent and cooperation (the colony gets half its food and water from the mainland), it has been doing everything possible not to offend the landlords.

In a move that can be interpreted as the "Sinification" of Hong Kong businesses, men like Li Ka-shing, a self-made property tycoon, and Sir Y.K. Pao, the world's leading private shipowner, have gained control of some of the leading British trading companies, or hongks. Both men sit on the board of the ultra-British Hong Kong and Shanghai Banking Corp., and Mr. Li is also a director of Beijing's China International Trust and Investment Corp., an organization with cabinet status that is expected to play an important role in China's modernization program.

To shore up confidence in Hong Kong's future, Beijing has permitted a new company, Everbright Industrial Corp., to be set up in the colony. Headed by Wang Guangying, the brother-in-law of Liu Shaoqi, China's late president, the company will be spending millions of dollars to import Western technology into China.

Beyond Hong Kong, the 1997 settlement will have far-reaching effects on East Asia as a whole.

### Pale Versions of Colony

The Hong Kong solution will be a guide to how much capitalism China will abide in its current policy to encourage economic growth. China's handful of special free-enterprise zones in its southern provinces are pale versions of the colony. If Beijing bends enough to allow Hong Kong's economic and social systems to continue basically unchanged, this would be evidence of its commitment to economic development, regardless of ideology.

Because of its natural resources and billion-plus population, a China truly bent on development would transfigure the economics of the region. Foreign businesses have often been disappointed by the pace of modernization since China opened its doors to overseas investors in 1979. But Japanese corporate executives are still speaking wistfully about merging Japan's management and technological prowess with China's resources and population to create a new axis of economic power in East Asia.

What happens to Hong Kong will also greatly affect Taiwan's future. Since they look power in China, the Communists have vowed to unify the mainland with Taiwan, where the ousted Chiang Kai-shek and his Nationalist followers fled. And like the people of Hong Kong, the Taiwanese fear for their way of life under Communist control.

Should Hong Kong suffer under China's stewardship, any hopes for a peaceful reunification of Taiwan with China would be dashed. As an Asian diplomat in Taipei said: "Here, all eyes are on Hong Kong."



| NYSE Most Actives |           |        |        |        |        |        |               |        |       |
|-------------------|-----------|--------|--------|--------|--------|--------|---------------|--------|-------|
| Symbol            | Vol.      | High   | Low    | Open   | Close  | Change | 12-Month High | Low    | Stock |
| IBM               | 1,000,000 | 175.00 | 174.00 | 174.00 | 174.00 | 0.00   | 175.00        | 173.00 | IBM   |
| GE                | 500,000   | 45.00  | 44.00  | 44.00  | 44.00  | 0.00   | 45.00         | 43.00  | GE    |
| AT&T              | 400,000   | 38.00  | 37.00  | 37.00  | 37.00  | 0.00   | 38.00         | 36.00  | AT&T  |
| AMC               | 300,000   | 15.00  | 14.00  | 14.00  | 14.00  | 0.00   | 15.00         | 13.00  | AMC   |
| ...               | ...       | ...    | ...    | ...    | ...    | ...    | ...           | ...    | ...   |

| Dow Jones Averages       |          |          |          |          |        |               |          |       |     |
|--------------------------|----------|----------|----------|----------|--------|---------------|----------|-------|-----|
| Index                    | High     | Low      | Open     | Close    | Change | 12-Month High | Low      | Stock | ... |
| Dow Jones Industrial     | 2,800.00 | 2,790.00 | 2,790.00 | 2,790.00 | 0.00   | 2,800.00      | 2,780.00 | ...   | ... |
| Dow Jones Transportation | 1,200.00 | 1,190.00 | 1,190.00 | 1,190.00 | 0.00   | 1,200.00      | 1,180.00 | ...   | ... |
| Dow Jones Utility        | 800.00   | 790.00   | 790.00   | 790.00   | 0.00   | 800.00        | 780.00   | ...   | ... |

| NYSE Index      |          |          |          |          |        |               |          |       |     |
|-----------------|----------|----------|----------|----------|--------|---------------|----------|-------|-----|
| Index           | High     | Low      | Open     | Close    | Change | 12-Month High | Low      | Stock | ... |
| NYSE Composite  | 2,800.00 | 2,790.00 | 2,790.00 | 2,790.00 | 0.00   | 2,800.00      | 2,780.00 | ...   | ... |
| NYSE Industrial | 1,200.00 | 1,190.00 | 1,190.00 | 1,190.00 | 0.00   | 1,200.00      | 1,180.00 | ...   | ... |
| NYSE Utility    | 800.00   | 790.00   | 790.00   | 790.00   | 0.00   | 800.00        | 780.00   | ...   | ... |

**Tuesday's NYSE Closing**

Vol. at 4 p.m. 71,780,000

Prev. Vol. 96,824,000

Tables include the following prices up to the closing on Wall Street

| AMEX Diaries |       |       |       |       |        |               |       |       |     |
|--------------|-------|-------|-------|-------|--------|---------------|-------|-------|-----|
| Symbol       | High  | Low   | Open  | Close | Change | 12-Month High | Low   | Stock | ... |
| AMC          | 15.00 | 14.00 | 14.00 | 14.00 | 0.00   | 15.00         | 13.00 | AMC   | ... |
| ...          | ...   | ...   | ...   | ...   | ...    | ...           | ...   | ...   | ... |

| NASDAQ Index      |          |          |          |          |        |               |          |       |     |
|-------------------|----------|----------|----------|----------|--------|---------------|----------|-------|-----|
| Index             | High     | Low      | Open     | Close    | Change | 12-Month High | Low      | Stock | ... |
| NASDAQ Composite  | 1,200.00 | 1,190.00 | 1,190.00 | 1,190.00 | 0.00   | 1,200.00      | 1,180.00 | ...   | ... |
| NASDAQ Industrial | 600.00   | 590.00   | 590.00   | 590.00   | 0.00   | 600.00        | 580.00   | ...   | ... |
| NASDAQ Utility    | 400.00   | 390.00   | 390.00   | 390.00   | 0.00   | 400.00        | 380.00   | ...   | ... |

| AMEX Most Actives |           |       |       |       |       |        |               |       |       |
|-------------------|-----------|-------|-------|-------|-------|--------|---------------|-------|-------|
| Symbol            | Vol.      | High  | Low   | Open  | Close | Change | 12-Month High | Low   | Stock |
| AMC               | 1,000,000 | 15.00 | 14.00 | 14.00 | 14.00 | 0.00   | 15.00         | 13.00 | AMC   |
| ...               | ...       | ...   | ...   | ...   | ...   | ...    | ...           | ...   | ...   |

| NYSE Most Actives |           |        |        |        |        |        |               |        |       |
|-------------------|-----------|--------|--------|--------|--------|--------|---------------|--------|-------|
| Symbol            | Vol.      | High   | Low    | Open   | Close  | Change | 12-Month High | Low    | Stock |
| IBM               | 1,000,000 | 175.00 | 174.00 | 174.00 | 174.00 | 0.00   | 175.00        | 173.00 | IBM   |
| GE                | 500,000   | 45.00  | 44.00  | 44.00  | 44.00  | 0.00   | 45.00         | 43.00  | GE    |
| AT&T              | 400,000   | 38.00  | 37.00  | 37.00  | 37.00  | 0.00   | 38.00         | 36.00  | AT&T  |
| AMC               | 300,000   | 15.00  | 14.00  | 14.00  | 14.00  | 0.00   | 15.00         | 13.00  | AMC   |
| ...               | ...       | ...    | ...    | ...    | ...    | ...    | ...           | ...    | ...   |

| Dow Jones Averages       |          |          |          |          |        |               |          |       |     |
|--------------------------|----------|----------|----------|----------|--------|---------------|----------|-------|-----|
| Index                    | High     | Low      | Open     | Close    | Change | 12-Month High | Low      | Stock | ... |
| Dow Jones Industrial     | 2,800.00 | 2,790.00 | 2,790.00 | 2,790.00 | 0.00   | 2,800.00      | 2,780.00 | ...   | ... |
| Dow Jones Transportation | 1,200.00 | 1,190.00 | 1,190.00 | 1,190.00 | 0.00   | 1,200.00      | 1,180.00 | ...   | ... |
| Dow Jones Utility        | 800.00   | 790.00   | 790.00   | 790.00   | 0.00   | 800.00        | 780.00   | ...   | ... |

| NYSE Index      |          |          |          |          |        |               |          |       |     |
|-----------------|----------|----------|----------|----------|--------|---------------|----------|-------|-----|
| Index           | High     | Low      | Open     | Close    | Change | 12-Month High | Low      | Stock | ... |
| NYSE Composite  | 2,800.00 | 2,790.00 | 2,790.00 | 2,790.00 | 0.00   | 2,800.00      | 2,780.00 | ...   | ... |
| NYSE Industrial | 1,200.00 | 1,190.00 | 1,190.00 | 1,190.00 | 0.00   | 1,200.00      | 1,180.00 | ...   | ... |
| NYSE Utility    | 800.00   | 790.00   | 790.00   | 790.00   | 0.00   | 800.00        | 780.00   | ...   | ... |

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|--------------|-------|-------|-------|-------|--------|---------------|-------|-------|-----|
| Symbol       | High  | Low   | Open  | Close | Change | 12-Month High | Low   | Stock | ... |
| AMC          | 15.00 | 14.00 | 14.00 | 14.00 | 0.00   | 15.00         | 13.00 | AMC   | ... |
| ...          | ...   | ...   | ...   | ...   | ...    | ...           | ...   | ...   | ... |

| NASDAQ Index      |          |          |          |          |        |               |          |       |     |
|-------------------|----------|----------|----------|----------|--------|---------------|----------|-------|-----|
| Index             | High     | Low      | Open     | Close    | Change | 12-Month High | Low      | Stock | ... |
| NASDAQ Composite  | 1,200.00 | 1,190.00 | 1,190.00 | 1,190.00 | 0.00   | 1,200.00      | 1,180.00 | ...   | ... |
| NASDAQ Industrial | 600.00   | 590.00   | 590.00   | 590.00   | 0.00   | 600.00        | 580.00   | ...   | ... |
| NASDAQ Utility    | 400.00   | 390.00   | 390.00   | 390.00   | 0.00   | 400.00        | 380.00   | ...   | ... |

| AMEX Most Actives |           |       |       |       |       |        |               |       |       |
|-------------------|-----------|-------|-------|-------|-------|--------|---------------|-------|-------|
| Symbol            | Vol.      | High  | Low   | Open  | Close | Change | 12-Month High | Low   | Stock |
| AMC               | 1,000,000 | 15.00 | 14.00 | 14.00 | 14.00 | 0.00   | 15.00         | 13.00 | AMC   |
| ...               | ...       | ...   | ...   | ...   | ...   | ...    | ...           | ...   | ...   |

| NYSE Most Actives |           |        |        |        |        |        |               |        |       |
|-------------------|-----------|--------|--------|--------|--------|--------|---------------|--------|-------|
| Symbol            | Vol.      | High   | Low    | Open   | Close  | Change | 12-Month High | Low    | Stock |
| IBM               | 1,000,000 | 175.00 | 174.00 | 174.00 | 174.00 | 0.00   | 175.00        | 173.00 | IBM   |
| GE                | 500,000   | 45.00  | 44.00  | 44.00  | 44.00  | 0.00   | 45.00         | 43.00  | GE    |
| AT&T              | 400,000   | 38.00  | 37.00  | 37.00  | 37.00  | 0.00   | 38.00         | 36.00  | AT&T  |
| AMC               | 300,000   | 15.00  | 14.00  | 14.00  | 14.00  | 0.00   | 15.00         | 13.00  | AMC   |
| ...               | ...       | ...    | ...    | ...    | ...    | ...    | ...           | ...    | ...   |

| Dow Jones Averages       |          |          |          |          |        |               |          |       |     |
|--------------------------|----------|----------|----------|----------|--------|---------------|----------|-------|-----|
| Index                    | High     | Low      | Open     | Close    | Change | 12-Month High | Low      | Stock | ... |
| Dow Jones Industrial     | 2,800.00 | 2,790.00 | 2,790.00 | 2,790.00 | 0.00   | 2,800.00      | 2,780.00 | ...   | ... |
| Dow Jones Transportation | 1,200.00 | 1,190.00 | 1,190.00 | 1,190.00 | 0.00   | 1,200.00      | 1,180.00 | ...   | ... |
| Dow Jones Utility        | 800.00   | 790.00   | 790.00   | 790.00   | 0.00   | 800.00        | 780.00   | ...   | ... |

| NYSE Index      |          |          |          |          |        |               |          |       |     |
|-----------------|----------|----------|----------|----------|--------|---------------|----------|-------|-----|
| Index           | High     | Low      | Open     | Close    | Change | 12-Month High | Low      | Stock | ... |
| NYSE Composite  | 2,800.00 | 2,790.00 | 2,790.00 | 2,790.00 | 0.00   | 2,800.00      | 2,780.00 | ...   | ... |
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|--------------|-------|-------|-------|-------|--------|---------------|-------|-------|-----|
| Symbol       | High  | Low   | Open  | Close | Change | 12-Month High | Low   | Stock | ... |
| AMC          | 15.00 | 14.00 | 14.00 | 14.00 | 0.00   | 15.00         | 13.00 | AMC   | ... |
| ...          | ...   | ...   | ...   | ...   | ...    | ...           | ...   | ...   | ... |

| NASDAQ Index      |          |          |          |          |        |               |          |       |     |
|-------------------|----------|----------|----------|----------|--------|---------------|----------|-------|-----|
| Index             | High     | Low      | Open     | Close    | Change | 12-Month High | Low      | Stock | ... |
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| NASDAQ Utility    | 400.00   | 390.00   | 390.00   | 390.00   | 0.00   | 400.00        | 380.00   | ...   | ... |

| AMEX Most Actives |           |       |       |       |       |        |               |       |       |
|-------------------|-----------|-------|-------|-------|-------|--------|---------------|-------|-------|
| Symbol            | Vol.      | High  | Low   | Open  | Close | Change | 12-Month High | Low   | Stock |
| AMC               | 1,000,000 | 15.00 | 14.00 | 14.00 | 14.00 | 0.00   | 15.00         | 13.00 | AMC   |
| ...               | ...       | ...   | ...   | ...   | ...   | ...    | ...           | ...   | ...   |



WEDNESDAY, AUGUST 17, 1983

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## BUSINESS PEOPLE

### Chemical Bank Sets Joint Venture With Malaysian Financial Group

Chemical Bank of New York is setting up a joint venture in Kuala Lumpur with Komplek Kewangan Malaysia, a financial group. The new joint venture, Chemical Commercial Credit Corp., or ChemCredit, is a commercial-finance company whose main function will be the discounting of receivables for manufacturing companies, Chemical said.

"ChemCredit is the first vehicle through which Chemical Bank can directly share in the growth of Malaysia," a Chemical spokesman said. Chemical said that with its factoring and commercial-finance expertise, it will be able to work closely with its Malaysian partner to create a new financial institution to supplement the resources of small- and medium-sized businesses.

Andrew Murray, formerly with Chemical's commodities division in New York, has been appointed general manager of ChemCredit.

### Bristol-Myers Appoints Europe Chief

Bristol-Myers Co. has appointed Kenneth E. Weg president of its Europe, Middle East and Africa division. He succeeds Joseph K. Marone, who has become president of Bristol-Myers' international division. Mr. Weg previously served as president of the company's Latin America and Canada division.

Mr. Weg will be based in the Netherlands and drug concern's New York head office.

In 1982 Bristol-Myers' Europe, Middle East and Africa operations accounted for about 13 percent of the company's total sales of \$3.6 billion.



Kenneth E. Weg

### Other Appointments

First City National Bank of Houston has named L. Kent Densley to succeed J. Pat Parsons as general manager of its London branch. Mr. Densley will also serve as regional manager for Europe, the Middle East and Africa. Mr. Parsons, senior vice president, will return to Houston in September to take up a position in the energy division. In addition, Brian A. Gibson has been named to the new position of branch manager in London.

Finnish Export Credit Ltd., Helsinki, has appointed Antti Lehtinen managing director, succeeding Eero Karmila. Mr. Lehtinen, whose new post is effective Sept. 1, currently is a director of Suomen Pankki-Finlands Bank. Mr. Karmila will join Karmila-Oskari-Pankki as deputy chief general manager, with responsibility for the bank's foreign activities.

Jean-Loup Dierne, an executive director of Rio Tinto-Zinc, will take a leave of absence from the London-based concern beginning Sept. 21 to join the World Bank in Washington in the new position of vice president, energy and industry.

In addition, J.D. Birkin has been appointed a director of RTZ. He is chairman and managing director of Tunnel Holdings, which was acquired by RTZ in January 1982.

Kleinwort Benson, the London-based merchant bank, has upgraded its representative office in Singapore to a merchant bank, Kleinwort, Benson (Singapore). Malcolm Fleming was named managing director.

Enskilda Securities has appointed Tom Hughes-Hallett a manager in the international department, responsible for the United States, a new post. Mr. Hughes-Hallett joins Enskilda in London from J. Henry Schroder Wagg, Enskilda Securities is a subsidiary of Skandinaviska Enskilda Banken.

Bob Brown has been appointed representative for National Westminster Bank's Melbourne office. He succeeds Robert Smith, who has been transferred to National Westminster's London head office as manager of the aerospace section. Previously, Mr. Brown was based in London as manager of the development projects section.

Bente-Lill B. Romer, formerly information manager, has been appointed general manager of Novo Industri in Norway. He succeeds Steinar Woele, who has become general manager of Hoffmann-La Roche in Norway. Novo Industri is a Copenhagen-based pharmaceutical concern.

National Australia Bank of Melbourne has named M.L. Brown as chief manager, U.K. and Europe, succeeding T.M. Robinson. Mr. Brown moves to London from Brisbane, where he was the bank's state corporate manager for Queensland.

Banque Nationale de Paris in London has named Jacques Rambosson managing director on the retirement of Michael Berger. Succeeding Mr. Rambosson as general manager of the London unit is P. Vermeulen, formerly deputy general manager.

Barclays Bank International in London has appointed John Kerslake general manager (staff). Mr. Kerslake, whose appointment is effective Dec. 29, will succeed Robert Harvey, who plans to retire. Alastair Robinson will succeed Mr. Kerslake as the bank's regional general manager for Asia. Mr. Robinson will move to London from Charlotte, North Carolina, where he currently is vice chairman and chief executive officer of Barclays American Corp.

—BRENDA HAGERTY

## Sony Tries to Regain U.S. Market Share

By Steve Lohr

New York Times Service

TOKYO — Not long ago, Sony Corp. seemed the ultimate consumer-electronics company and the darling of Wall Street, and its pioneering Betamax video-cassette recorder promised to lead the industry's glamorous new video sector.

But a bad economy, tough competition on its home turf and a miscalculation of the video-cassette market has changed all that. Today the company, armed with new products and an expanded research-and-development budget, is fighting hard to regain its corporate confidence—and its share of the American market.

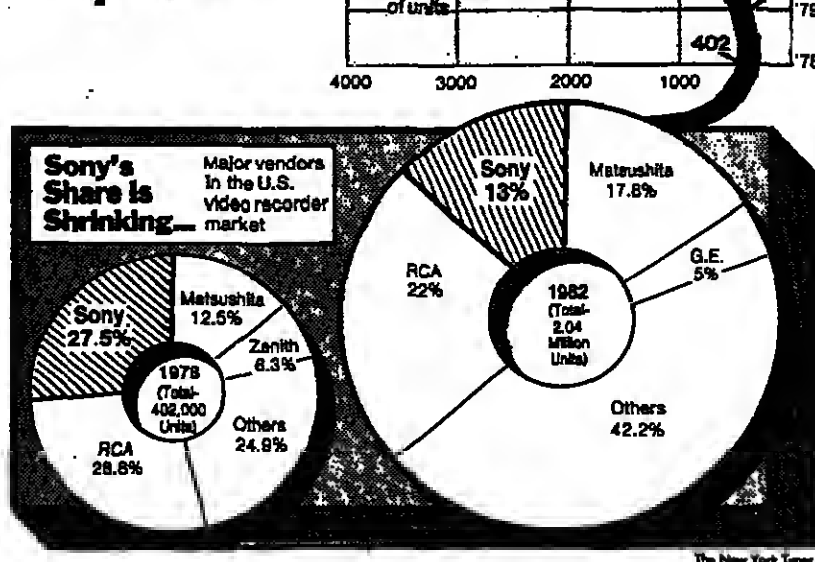
It will not be a battle easily won. Sony reported that profit in the first half ended April 30 plunged 66 percent from a year earlier to the equivalent of \$45 million. The drop was due mostly to severe price-cutting and sagging sales overseas, particularly in the United States, which accounts for more than 25 percent of Sony's total revenue. The disappointing showing followed an even steeper earnings decline in the last quarter of 1982. While Sony predicts that earnings will improve in the second half of this year, profit for 1983 is expected to be well below that of a year earlier. As one Sony executive acknowledged: "The damage has never been so severe"—a comment reflected in a company proposal to freeze managers' wages and suspend customary bonuses to senior executives.

Yet, on the record, most Sony officials maintain that the recent troubles are cyclical and that the company is well on its way to recovering its former vigor. "Sony will come out of the bottom," asserted Kinio Okura, a managing director at the company's headquarters in Tokyo.

That there are any doubts at all has particular significance for a company long regarded as the consummate innovator in consumer electronics. Sony, perhaps more than any other company, has been responsible for transforming the American view of "made in Japan" from the code phrase for shoddy merchandise that it was in the 1950s to the seal of distinction that it is today.

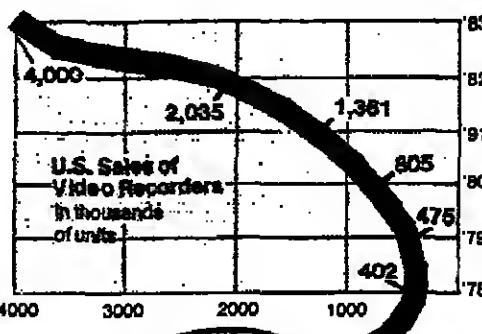
It was also a symbol — to Americans in particular — of the strength of Japanese industry: Its ability to make high-quality,

As the V.C.R. Business Expands...



ingenious, affordable products pointed up, by inference, the weaknesses of many companies in the United States, which in recent years have been unable to do the same. Besides the Betamax, its sales ministry, Sony is probably best known for its Walkman portable tape recorder and its Trinitron color television set.

Despite Sony's heritage, however, some analysts maintain that its present difficulties have done permanent damage to its future competitiveness, especially in the United States. Ominous signs already are apparent. Sony's overall American market share in video-cassette recorders fell to 13 percent in 1982 from 14.2 percent a year earlier; in 1978 it commanded 27.5 percent of the then embryonic business.



## Exxon, China Expected To Reach Oil Accord

By Dinah Lee

International Herald Tribune

HONG KONG — Exxon Corp. is expected to become the second U.S. company to agree with China to explore and drill for offshore oil in a round of bidding involving 33 foreign companies.

Sources said the company would sign the contract next Tuesday, about a year after bidding began, with China National Offshore Oil Corp. Earlier this month, Occidental Petroleum Corp. agreed with China to drill for offshore oil. In May, a consortium led by British Petroleum became the first foreign group to have a bid accepted.

Exxon's contract will be the first "that hasn't gone through the hoop of state-to-state relations or political friendship," in the words of one banker, and thus will be regarded as a more purely commercial agreement. The agreement will be closely scrutinized by the industry, which has criticized the Chinese since talks began in 1979 for taking an inflexible position, even after the recent drop in oil prices.

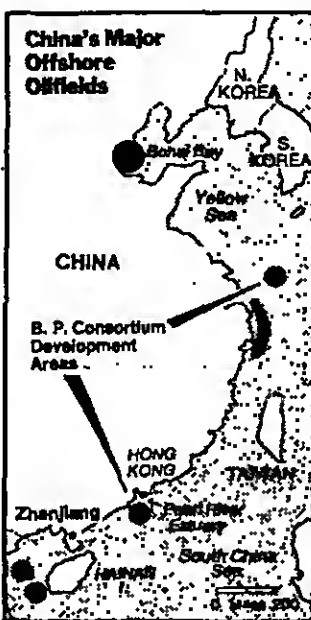
As with all the agreements, the terms of the Exxon contract have

not been disclosed. It is understood, however, that Exxon may have driven a harder bargain than the other bidders.

Of the 43 parcels on which the companies bid, 22 are in the promising shallow waters of the Pearl River basin. Seismic studies of those sites as well as those in the Yellow Sea hold less promise. As expected, the Chinese are asking those companies awarded with contracts to take less-promising areas for development along with their first or second choice.

It is believed that both BP and Occidental were persuaded to take at least one less-desirable parcel, but that Exxon refused to accept a third such area. The two parcels Exxon has accepted are next to sectors at the mouth of the Pearl River won by British Petroleum and its four partners. Although the size of the Exxon area will probably not be known until the official signing, it is understood that it will be the largest parcel awarded to any foreign company to date.

Exxon also resisted Chinese pressure to drill quickly, and instead decided to drill only one well



China's Major Offshore Oil Fields

## U.S. Industrial Output Jumped 8% In July, for 8th Consecutive Increase

By Caroline Atkinson

Washington Post Service

WASHINGTON — U.S. industrial production jumped 1.8 percent in July, marking the eighth consecutive increase in factory output since the recession ended last November, the government reported Tuesday. Analysts generally had predicted a 1.5 percent rise.

Last month's strong gain in production showed that the recovery continued at a rapid pace into the third quarter. During the three months from April through June, the nation's gross national product expanded at a vigorous 8.7-percent annual rate. The New York economist Alan Greenspan predicted that the third-quarter growth rate would match that. The economy "is clearly not slowing in the current quarter," he said.

The July surge in production was widespread across industries, with "especially sharp rises in automobiles and steel," said the report by the Federal Reserve Board. These

two industries were particularly hard hit by the recession.

Electricity output rose steeply last month, but government economists warned that this lift to overall production would likely be short-lived, as it was mainly due to the nationwide heat wave. "Americans were running their air conditioners around the clock," noted the Commerce Department's chief economist, Robert Ortner.

"While it adds to production, just what you see your own electric bill. It is absorbing some of the consumer's income and may take away from sales in other directions."

The output gain was generally extremely good news, however, Mr. Ortner said, calling it "a pretty glowing report."

The July increase gain in industrial output was the second largest since the recovery began, exceeded only by April's 1.9 percent. It brought output last month to a level 10.2 percent higher than at the

recession's low point last November, the Fed said. However, production remains 3.5 percent below its previous peak two years ago, while unemployment is substantially higher than before the recession began.

The July report revised upward, to 1.3 percent, the production increase recorded for May and left unchanged the 1.1-percent rise shown for June.

■ **Homebuilding Declines**

New housing construction declined 0.6 percent in July despite a surge in apartment building projects but not enough to seriously dampen the housing boom, the Commerce Department said Tuesday. United Press International reported.

The benchmark annual rate of housing starts dropped to 1,741,000, still 639 percent ahead of what was produced for all of 1982 despite mortgage rates that have climbed two percentage points in the past two months.

## CURRENCY RATES

Interbank exchange rates for Aug. 16, excluding bank service charges

|            | 2.99 | 4.06 | 11.10 | 27.16 | 0.1887 | 5.58 | 130.21 | 21.05 |
|------------|------|------|-------|-------|--------|------|--------|-------|
| Amsterdam  | 2.99 | 4.06 | 11.10 | 27.16 | 0.1887 | 5.58 | 130.21 | 21.05 |
| Brussels   | 2.99 | 4.06 | 11.10 | 27.16 | 0.1887 | 5.58 | 130.21 | 21.05 |
| Frankfurt  | 2.99 | 4.06 | 11.10 | 27.16 | 0.1887 | 5.58 | 130.21 | 21.05 |
| London (S) | 2.99 | 4.06 | 11.10 | 27.16 | 0.1887 | 5.58 | 130.21 | 21.05 |
| Nile       | 2.99 | 4.06 | 11.10 | 27.16 | 0.1887 | 5.58 | 130.21 | 21.05 |
| New York   | 2.99 | 4.06 | 11.10 | 27.16 | 0.1887 | 5.58 | 130.21 | 21.05 |
| Paris      | 2.99 | 4.06 | 11.10 | 27.16 | 0.1887 | 5.58 | 130.21 | 21.05 |
| Zurich     | 2.99 | 4.06 | 11.10 | 27.16 | 0.1887 | 5.58 | 130.21 | 21.05 |
| 1 ECU      | 2.99 | 4.06 | 11.10 | 27.16 | 0.1887 | 5.58 | 130.21 | 21.05 |
| 1 SDR      | 2.99 | 4.06 | 11.10 | 27.16 | 0.1887 | 5.58 | 130.21 | 21.05 |

### Dollar Values

|        | Currency           | U.S.\$ | Swiss | Currency         | U.S.\$ | Swiss  | Currency        | U.S.\$ |
|--------|--------------------|--------|-------|------------------|--------|--------|-----------------|--------|
| Swiss  |                    | 1.73   | 3.46  | Israeli shekel   | 33.75  | 6.75   | Singapore       | 3.46   |
| 0.0075 | Australian         | 1.159  | 0.073 | Japanese yen     | 343.95 | 0.0044 | S. African rand | 3.46   |
| 0.0075 | Austrian schilling | 13.76  | 0.877 | West German mark | 6.309  | 0.0012 | N. Korea won    | 1.10   |
| 0.0075 | Belgian franc      | 6.87   | 0.435 | French franc     | 6.398  | 0.0012 | S. Korea won    | 78.10  |
| 0.0075 | Canadian           | 1.234  | 0.434 | Malay, rupiah    | 2.357  | 0.0004 | Soviet, peset   | 15.15  |
| 0.0075 | Danish krona       | 9.635  | 0.338 | Norw. krona      | 7.495  | 0.126  | Swed. krona     | 7.873  |
| 0.0075 | Finland mark       | 5.72   | 0.083 | Pak. peso        | 11.994 | 0.004  | Taiwan \$       | 48.27  |
| 0.0142 | Greek drachma      | 89.85  | 0.004 | Port. escudo     | 132.05 | 0.004  | Thai baht       | 25.27  |
| 0.0142 | Hong Kong \$       | 7.45   | 0.284 | Saudi riyal      | 3.401  | 0.272  | U.A.S. dirham   | 3.673  |
| 0.1392 | Irish \$           | 0.681  |       |                  |        |        |                 |        |







## BUSINESS BRIEFS

## Argentina Signs \$1.5-Billion Accord With More Than 300 Lender Banks

NEW YORK (UPI) — Argentina signed a new \$1.5-billion loan agreement with more than 300 banks on Tuesday, one day after the International Monetary Fund approved Argentina's decision to unfreeze payments to Britain that it suspended during the Falklands conflict. Officials at the signing also said agreement for restructuring \$250 million in debt of the national airline, Aerolineas Argentinas, is expected to be signed by late August or early September. Debt of the national oil company, Yacimientos Petroliferos Fiscales, is to be rescheduled next, followed by Aqua y Energia and Banco Nacional de Desarrollo, the national development bank.

The \$1.5-billion loan signing, together with a similar \$1.1-billion loan in December, is part of an overall refinancing package that covers the \$5 billion to \$6 billion of Argentina's total \$40 billion in foreign debt that matures in 1983. It includes a \$1.6-billion standby credit from the IMF, which Argentina has drawn about \$650 million.

## Australia Looks at Bid for Broken Hill

MELBOURNE (Combined Dispatches) — The Australian National Companies and Securities Commission has submitted questions to Robert Holmes & Narver's Wiggins Ltd. about its takeover bid for Broken Hill Proprietary Co., the commission said Tuesday.

Mr. Holmes & Narver announced an unconditional takeover offer on Monday that valued BHP, Australia's largest company, at more than four billion Australian dollars (\$3.5 billion). Analysts were skeptical that the offer would succeed.

Under terms of the offer, Mr. Holmes & Narver, chairman of the Bell Group, said a subsidiary, Wiggins, would offer two of its shares for each share of Broken Hill. Wiggins, which Bell acquired last week, is the marketer of Caterpillar tractor equipment in Western Australia.

## Judge Sets Hearing on Marc Rich

NEW YORK (NYT) — A federal judge has scheduled a special hearing for Monday to determine whether Marc Rich & Co. and Clarence Ltd. are conspiring to resist his repeated orders to turn over documents.

Marc Rich, one of the world's biggest commodities trading firms, is being investigated by a federal grand jury on charges that it evaded some taxes on at least \$20 million in profits. After much pressure, including a contempt-of-court citation and fines of \$50,000 a day, Marc Rich agreed on Aug. 5 to turn over the documents by this Friday. A hearing, which took over a Marc Rich subsidiary in the United States, is also party to the agreement on the documents.

But last Friday, Swiss authorities seized some of the subpoenaed documents at Marc Rich's headquarters in Zug, Switzerland. U.S. District Judge Leonard B. Sand said Monday that if Marc Rich and Arendon were found to be colluding to thwart him, he would take steps to shut down both of their U.S. operations.

## Shares in S. African Firm Suspended

JOHANNESBURG (Reuters) — Shares in Rennie's Consolidated Holdings were suspended at the start of trading Tuesday at the company's request, the Johannesburg Stock Exchange said.

Rennie's group financial controller, Duncan Sangster, said he expects reasons for the suspension will be known in the next day or so. The shares closed Monday at 1,300 cents.

Stockbrokers said they are uncertain what is behind the new suspension but noted the company has said several times it is looking at possible questions. Rennie's interests include hotels, shipping, trading and manufacturing.

## Unilever Operating Profit Rises 6%

LONDON (Reuters) — Unilever said Tuesday that its second-quarter operating profit climbed 6 percent to £227 million (\$339.9 million) and that sales rose 3 percent to £3.4 billion.

European results for the diversified Anglo-Dutch company were up in last year's second quarter, with sales of consumer goods rising 1 percent. Edible fats and dairy products, food, drinks and detergents proved particularly strong. Frozen products, however, were weaker.

## Sony Corp. Struggling To Regain Market Share

(Continued from Page 9)

market Sony will win, however, is much in question, especially in light of increasingly fierce competition from such companies as Matsushita, and a move in consumer interest toward lower-priced video cassettes. Most analysts agree that new business will come mostly outside Japan from sales of less-expensive models. (Sales of audio products in Japan fell about 35 percent last year, to \$4.4 billion.)

Sony, which makes mainly higher-priced models, so far has not been able to increase sales enough to make up for the lower prices it has set for its Betamax line. This year, for example, the company reduced some prices as much as 40 percent.

The move has prompted some to wonder whether Sony is still a growth company. "It's over for Sony," declared one analyst at a large Japanese securities firm. "The company's best days are behind it."

Such a comment would have been nearly unthinkable just a few years ago. The technological leader, Sony was able to command a premium for its wares in the marketplace and refrain from price-cutting, allowing it to keep its profit margins up.

While those days may be over, Sony's initial position had won it

an enduring following not only among foreign investors, who hold 43 percent of the company's stock, but also among the American buying public.

The fast pace of technological development, especially in Japan, is diminishing the value of Sony's traditional strength: being first. Although Sony may still be the innovator of the industry, giant Matsushita Electric, considered the International Business Machines Corp. of consumer electronics, appears to have the muscle to dominate any sector it enters.

So it went with the Betamax. Sony was first to offer a video-cassette recorder for home use, in 1975, but Matsushita was soon in the game with its less expensive and incompatible VHS format. Matsushita and Japan Victor, of which it owns 52 percent, easily made rapid gains in the market.

One reason was that the two companies, unlike name-pride Sony, had no qualms about offering their equipment for relabeling and resale by numerous American and European companies, a route that also spared the two companies marketing, distribution and inventory costs.

Today, Matsushita, which now controls 17.5 percent of the U.S. video-cassette market, supplies re-

## Sony Develops New TV System

Reuters

TOKYO — Sony Corp. said Tuesday it has developed a new digital television receiving system using digital processing throughout the video circuitry.

Sony officials said the company plans to start marketing TV sets incorporating the new circuitry within a year.

They said Sony developed the technology after studying ways of receiving color TV broadcast signals and processing them digitally within the receiver to improve quality.

orders sold under such American brands as General Electric, Magnavox, GTR-Sylvania, J.C. Penney and Curtis Mathes. And VHS systems by all makers hold 70 percent of the market. By contrast, Sony — which supplies equipment to only one American company, Zenith — has seen its share rapidly plunge.

In addition, the VHS manufacturers kept updating their equipment — with longer playing time, for example. Sony was slow to react as demand for its Betamax slackened.

"Unfortunately for Sony, the gamble did not pay off," said Daniel E. Whitten, an analyst for Prudential-Bache Securities Inc., Tokyo.

## AT&amp;T Strike Could Delay Breakup

By Merrill Brown  
Washington Post Service

NEW YORK — If the telephone workers' strike against American Telephone & Telegraph Co. continues for more than a month, it could pose serious planning problems as the company attempts to meet the Jan. 1 deadline for its court-ordered breakup, according to Bell System executives, union officials and analysts.

In some parts of AT&T, key executives are serving as phone operators, and although the company's financial, network and strategic efforts have not yet been delayed, a prolonged work stoppage could raise serious questions about the company's ability to meet the divestiture deadline, observers said.

"As far as divestiture, 1-1-84 is our target date," AT&T's president, William M. Elvinghaus, said Monday. "We've made no changes in that."

But he added that if the strike, which began Aug. 7, were prolonged for several months, the "tight schedules" for completing complex divestiture planning assignments might be altered.

AT&T officials noted Monday

that, although they have set Jan. 1 — the beginning of the company's fiscal year — as the target date for divestiture under the terms of the decision by U.S. District Judge Harold H. Greene, they have until late February to complete the breakup.

Although the company and the Communications Workers of America announced Monday that the two sides would hold their first formal bargaining talks Tuesday, neither side expressed hopes for a quick settlement.

"I think it's going to be a long strike," said James McCabe, an analyst with Prudential-Bache Securities Inc. Other industry analysts said they shared his prediction. "It's difficult to negotiate job security. The company sees the opportunity to significantly reduce the labor force. They are not going to cave in."

Mr. McCabe also noted that delaying divestiture by several months could significantly alter the immediate competitive positions of the seven operating telephone companies that AT&T will spin off under its consent decree with the Justice Department. The resulting uncertainty would affect the companies' stock prices, he said.

Spokesmen for several local phone companies said Monday that their divestiture planning was continuing, particularly the complex financial restructuring. Yet some key planners on the local level are clearly altering their duties because of the strike.

For example, Dana Campbell, chief spokesman for Southwestern Bell in St. Louis, said that, when he called the divestiture network and operations planning office at his company, no one answered because most of the staff members were working on switchboards or phone installation. "Nobody is really worried right now, but if we go on for a few more weeks, it may cause problems," he said.

Among potential problems is the possibility that state regulators might be called upon to reconsider pending local rate increases or figure in the impact of the strike on those proposals.

New York's attorney general said during the weekend that New York Telephone Co. was saving \$30 million a week on labor costs during the strike and that the state's Public Service Commission ought to suspend rate tariffs and investigate the possibility of reducing local phone rates.

## Exxon-China Oil Pact Is Expected

(Continued from Page 9)

should be stepped up to match growth in light and heavy industry. "You could call it a conceptual difference of opinion," said an observer with a foreign company in Hong Kong. "The Chinese are convinced that there are tons of oil down there just waiting to be brought up, while the foreign companies think that there are only seismic indications that there may be a lot of oil to be found."

For their part, Western oilmen are not encouraged by the failure of the French companies Total and Elf-Aquitaine and Japanese National Oil Co. to find oil since they began exploration of parcels in the Gulf of Tonkin and the Bohai Gulf, respectively. These were awarded outside the general round of bidding in the spring of 1980.

So far, only Atlantic Richfield has struck oil. Arco, in another agreement signed outside the bidding, was allowed to drill in an area off Hainan Island in the South China Sea. The discovery came at the second well drilled by Arco.

Industry observers do not seem to regard Arco's find as significant.

Commenting on Exxon's decision not to spend their exploration budget as quickly as other companies, one observer said, "Why should they buy the whole farm before they know what is in it?" Already, Total is rumored to have exhausted its initial budget for exploration.

In other respects, the Chinese have stood firm. For example, although most international development contracts split the oil for 20 years after production begins, the Chinese have negotiated a 15-year period with foreign companies, including Exxon. Similarly, contracts typically allow a foreign company 10 years for exploration. The Chinese have set five years to seven years as the norm.

Exploration costs for BP, Occidental and Exxon are expected to run at about \$100 million to \$120 million each. Development costs are split between the foreign companies and the Chinese at a ratio of 49 to 51.

So far, what has determined the success of one company bidding over another has been what an oilman called the "X-factor," meaning offers of technology transfer

and training of Chinese by the foreign company. Because it is in the "X-factor" clauses that the companies may have given the most concessions to the Chinese, oilmen are reluctant to discuss the details.

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| 400   | 7.20 - 8.50   | 10.00 - 11.50 | 12.00 - 13.50 |
| 450   | 12.00 - 13.50 | 15.00 - 16.50 | 18.00 - 19.50 |
| 500   | 15.00 - 16.50 | 18.00 - 19.50 | 21.00 - 22.50 |
| 550   | 18.00 - 19.50 | 21.00 - 22.50 | 24.00 - 25.50 |
| 600   | 21.00 - 22.50 | 24.00 - 25.50 | 27.00 - 28.50 |
| 650   | 24.00 - 25.50 | 27.00 - 28.50 | 30.00 - 31.50 |
| 700   | 27.00 - 28.50 | 30.00 - 31.50 | 33.00 - 34.50 |
| 750   | 30.00 - 31.50 | 33.00 - 34.50 | 36.00 - 37.50 |
| 800   | 33.00 - 34.50 | 36.00 - 37.50 | 39.00 - 40.50 |
| 850   | 36.00 - 37.50 | 39.00 - 40.50 | 42.00 - 43.50 |
| 900   | 39.00 - 40.50 | 42.00 - 43.50 | 45.00 - 46.50 |
| 950   | 42.00 - 43.50 | 45.00 - 46.50 | 48.00 - 49.50 |
| 1000  | 45.00 - 46.50 | 48.00 - 49.50 | 51.00 - 52.50 |

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The New York Times  
reduction of Mitel Corp.'s SX-2000 digital switching  
equipment at the company's plant in Kanata, Ontario.

## Loss of Link With IBM May Slow Mitel Growth

**New York Times Service**  
KANATA, Ontario — For Mitel Corp. of Canada, one of the world's leading manufacturers of office phone switching equipment, it was the hope that turned to a loss of a link with IBM that would produce a super-high-capacity PBX phone switching system for international business machines that would have a strong up in the race to market and over hardware and software for automated offices.  
But delays at Mitel put its PBX, private branch exchange, system year behind schedule. And in the IBM abruptly announced that it had bought a 15 percent interest in Rolm Corp., a California-based operator of Mitel.  
That investment in Rolm seemed to signal that IBM had got to the heart of the matter and decided to change partners.  
This abrupt change of corporate alliances is one example of the intense competition that is driving companies trying to cash in on equipment for what is called "office of the future."  
But for Mitel, one of Canada's leading electronics companies, the loss of the IBM deal also means a loss of a major customer. Mitel may face a considerable loss in reaching its goal of becoming a billion-dollar company by 1985.  
Mitel officials are playing down the financial importance of the lost deal. Michael Cowland, one of the company's co-founders, said: "It's hard for us to say why IBM is so important, as you can see from the fact that out of 500 systems to be shipped next year only 40 were to go to IBM." He said that every 2000, the name of the new system is presold for the next two years.  
Nevertheless, Mitel's balance sheet has suffered severely because of problems with the SX-2000. It has 1.5 million Canadian dollars in lost sales, its first ever quarterly loss. In the comparable period last year it had a 3 million-dollar profit. This followed a year that its profits nearly cut in half, to 3 million dollars from 28 million.

## City's Prosperity Aids U.K. Service Sector

By Barnaby J. Feder  
New York Times Service

LONDON — Britain may be having trouble selling its goods abroad, but when it comes to its nonmerchandise or service sector, business is strong.  
Early indications are that trade in the so-called invisible sector in 1983 will be even better than it was last year. One key reason: the continued prosperity in the City of London, a significant element in Britain's performance in invisible trade.

A poll this spring indicated that the City did not expect to match last year's showing, but it is now clear that such reservations leave plenty of room for robust growth. Preliminary statistics released last week indicate that 1982 was a whopping success for the City when it came to international trade.

It was not a peaceful year. Bankers worried about the international debt problems. Lloyd's, the insurance exchange, had its reputation tarnished by insider-trading scandals. The Stock Exchange faced charges from the government Office of Fair Trading that many of its rules violated laws against restrictive practices.

But, in the end, the City's net earnings in overseas business jumped almost 25 percent, to about \$6.47 billion at current exchange rates, from \$5.2 billion in 1981, according to the government's Central Statistical Office. Since 1980, earnings have doubled.

The City's success more than accounts for the surplus in Britain's overall 1982 trade balance. Not-

withstanding its position as one of the world's largest oil exporters, Britain would have finished in the red last year by \$623.5 million but for the City's contribution.

Banks led the way. Interest payments on foreign-currency loans were the main source of their \$2.46-billion surplus. In addition, their income from overseas investments doubled for the fourth consecutive year since exchange controls were removed, the government estimated.

The banks extended their foreign earnings lead over the insurance community, which had been the major contributor to the trade surplus until 1981. But the insurance companies also sharply increased their surplus, to more than \$1.73 billion, thanks largely to their overseas investments.

Such growth has not impressed the Labor Party and other supporters of plans to place exchange controls on the flow of investment money. They claim that banks and institutional investors have moved capital out of Britain that otherwise would have been invested in British industry. But the government can argue that ending the controls encouraged foreigners to invest more.

### Chile Picks Mitsubishi Firms

**TOKYO** — Three Mitsubishi companies have jointly received a \$35.4-million order from Chile's National Copper Corp. (Codelco) for a 78,000-kilowatt thermal power plant, Mitsubishi Corp. said Tuesday.

in Britain, while the City's overseas investments have strengthened the country financially.

The overall figures hide some worrisome spots, particularly for the insurance companies, which rely more and more on income from investing the premiums they collect. Profits from overseas business written by foreign subsidiaries have fallen steadily from a 1978 peak of \$408.8 million to just \$114 million last year. Similarly, 1982 earnings on overseas business written in the famous trading room at Lloyd's insurance exchange fell to \$318.4 million, the fourth decline in five years from 1978's peak of \$524.3 million.

And, according to some City analysts, the Stock Exchange's contribution of just \$652 million highlights how slow the exchange has been to modernize its practices so that it can attract more international business.

Meanwhile, the Thatcher government's continuing campaign to "privatize" various state-owned industries has been gathering head-steam with reports last week that ministers are considering selling 51 percent of British Gas Corp. to investors. Two weeks ago, the talk was about British Shipbuilders, which has been reaping reasonable profits making warships and incurring staggering losses on everything else.

While such proposals cannot come fast enough to please some

private-sector analysts who would like to see a huge sell-off of national assets to finance a tax cut, the City has qualms about investors' ability to absorb the amount of equity already in the government pipeline.

The biggest chunk is the 51 percent of British Telecom that is being sold in a move to create a privately run telecommunications sector. With investors likely to be asked to put up as much as \$10 billion, the government is said to be considering spreading the sale out over several years.

Selling control of British Gas — which produces and markets gas and appliances — would cut on investors for about \$6 billion. The government has stripped off its onshore and offshore oilfields, after fierce resistance, and sale of these assets to oil companies is expected to raise about \$1 billion.

A second problem is a sell-off of British Gas is that, like British Telecom, it is a monopoly position. The Thatcher government can expect strong criticism if it is sold before adequate regulations are established to protect consumers.

Since the Conservatives came to power in 1979, they have sold control of companies in electronics, medical technology, oil exploration and production and, most recently, Associated British Ports, which operates 19 ports. Shares have also been sold to reduce the government stake in British Petroleum PLC.

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## SPORTS

## Soccer's 3 Budding Stars Jump From Obscurity to the Riches of Life at the Top

LONDON — What price star quality? At the dawn of a new European soccer season, it becomes acutely clear that even a team sport desperately needs personalities. It needs stars who can carry the team, who can be the difference between a mediocre team and a champion.

And though we are not yet through the era when negative tactics suffocate individuality, it remains inescapable and inevitable that the goalkeepers have a head start in the personal popularity stakes.

Established (or almost established) heroes have something to prove. Diego Maradona, after a tortured World Cup and a first season in Europe debilitated by illness, starts again with Barcelona. Zico is now in Europe, in the late summer of his career. The Brazilian about to test new genius in Fiorentina in Italy.

There, too, Michel Platini and Paolo Rossi must try to retrieve reputations. And in West Germany even Karl-Heinz Rummenigge, now with the DFB team, is expected to be the first Paul Breitner to inspire him, with his return to the fresh news and wholeness of his talents are still effective.

But, like any living entertainment, soccer also must generate new stars, and right now the spotlight is focused on three goalkeepers facing higher challenges — Charlie Nicholas, who transferred from Celtic in Scotland to Arsenal of London for £750,000 (\$1.2 million) this summer; Dieter Schatzschneider, the new striker of European champion club Hamburg; and Careca of Brazil, who with so many talents having migrated from South America to Europe, has the gifts and the urge to grow into his continent's No. 1 home bird.

Nicholas, 21, was the darling of Glasgow last season. He came back from a broken leg to score 52 goals, phenomenal in any company and, with his contract at an end and the wealthy suitors queuing at the door, was irresistibly bound to be plucked out of the small, but impassioned, Scottish pool.

Only his choice of club came as a surprise. Last March he had scored on his international debut a goal of incredible brilliance, allowing the

## ROB HUGHES

ball to drop over his shoulder, flicking it up to wait high with a deft touch of his right foot, and, withstanding a physical challenge, volleying the ball with his left foot into the top corner of the Swiss net.

A goal in a million for a young man on his way to millionaire status. Charlie Nicholas (Scotland) Limited and his agent — always the cunning agent — began sifting the offers, both commercial and career.

He turned down Liverpool, Britain's most successful club, it seems because he did not relish the challenge of following his idol Kenny Dalglish. He rejected Manchester United, the country's most glamorous club, because (according to his ghosted newspaper explanation) he was less than impressed by the manager, Ron Atkinson.

He said no thanks to Inter Milan's offer of £200,000 a year for four years, saying obscurely that his Glasgow roots preferred not to be made financially secure by his mid-twenties but to go on improving his soccer.

And he opted for Arsenal who, says Charlie,

convinced him that it will change the boring but effectively methodical style of the last 12 years to give him freedom of expression. Something, certainly, must change: Arsenal or Nicholas. Let us hope that the goalkeepers get more out of his move than his reported £125,000 basic wage (the highest in Britain) and the burgeoning endorsement deals in boots, cars and newspaper columns.

The air of vulnerability around Nicholas makes Schatzschneider seem like a big boy by comparison. Hailed as West Germany's new "bomber" (after Gerd Müller), Dieter Schatzschneider has yet to play in the elite Bundesliga, though he has leapfrogged to join the champion Hamburg.

He arrives as the ready-made replacement for Horst Hrubesch, the immense international center forward who captained Hamburg to the blue ribbon of European club competition this spring. Schatzschneider doesn't suffer inferiority complex.

He stands almost as tall as the "monster" Hrubesch, being 6 foot 1 inch and weighing 196 pounds. But where Hrubesch used the power and height of his physique, Schatzschneider admits his heading is comparatively innocuous. Yet, in the West German second division and for two different clubs last season his instinctive awareness near goal, his deceptively quick reflexes and accurate shooting collected more than 30 goals.

Schatzschneider brought that season with Hannover, moved to Fortuna Cologne when his employers couldn't afford his wages, and to boot represented the West German Olympic team in a friendly against Eintracht Frankfurt.

The match ended 2-2; Schatzschneider scored twice.

Of the six premier clubs in pursuit of him, Hamburg, with the departed Hrubesch bowing to age and an offer of £300,000, won. The player will know by now that his new boss, the dour Austrian Ernst Happel, is no more a lover of free spirits than Arsenal's coach Don Howe.

Happel's new recruit, by his own admission, detests fitness routines and cross country, drinks and smokes, and sees his job as nothing but a finisher. "Some players," Schatzschneider shrugs, "are fantastic in practice but useless in a match. I'm the complete opposite." Pre-match fueling of ham and bacon and beer is part of what makes him what he is — a rare goalscorer.

Careca is different again. Born Antonio de Oliveira Filho on Oct. 5, 1960, his trade name in Brazil is taken from a famous clown. But there is little amusement in this Careca, and not too much of the confounding that Brazilians traditionally are with the ball.

Yet he is the goalscorer who might so easily have won the 1982 World Cup for Brazil. He missed the tournament through injury, and the Brazilians for all their enchanting style simply had no striker of his speed and strength and heading ability.

On Brazil's recent European tour, despite being a lone frontman, Careca proved what a devastating and explosive forward he is. His goals were neither pretty nor intricate, but the sharp deadly thrusts of a piranha. The chances came and, snapt, they were taken. Careca, even in a poor Brazilian team distracted by defensive nervousness, was the won success of the tour.

"You have not yet seen his full potential,"

promises Mario Travaglini, the coach of São Paulo where Careca plays. Travaglini sees his center forward as an emerging Tostao, one of Brazil's 1970 greats. When both Valencia and Inter Milan (again) asked São Paulo's price for Careca, they were told £2 million.

Careca has said that he will remain in Brazil until the 1986 World Cup, after that this son of a top class player and offspring of an infant scheme at the Guarani club (where he played soccer by day and studied by night from the age of 12) envisages a multi-million-dollar transfer. "I am not jealous of Maradona or Zico," he says, "but Careca is only news in Brazil. The whole world knows Maradona and Zico."

Don't they just. Nicholas, Schatzschneider and Careca are now on the brink of stardom. Three players of different tongue, different approach and desires — but the same invaluable and product.

Their time is short, their price high, and before too long they may say and do things that reveal the pain of sliding down from that fame. Things like those that finally made Ajax Amsterdam dispense of Johan Cruyff, who, though he remains excellent at 36 to be still the star of Dutch league soccer, antagonized the paymasters, club directors, whom he called amateur. He goes to Feyenoord, Ajax's one time bitter rival.

And Kevin Keegan, another former European player of the year, signed a new year-long contract with English second division club Newcastle. But then, not waiting for the ink to dry, announced in a newspaper: "Newcastle has given me an even better offer than last year. . . . But my new contract will allow me to leave

before the season ends if I believe things aren't going as well as they should."

If Newcastle is not promotion candidates by Christmas, Keegan suggests that he can leave for a modest transfer fee. He doesn't say what options the club has if his own tiring limbs become the cause of that failure. Ego, possibly, is the price of stardom.

While this column was at rest in the forested lakeside of eastern Finland, a most treasured correspondent died.

David Niven's passion for soccer must have been amongst the few private sides of this most debonair of public men. We knew him as an actor, producer and author — a swimmer and skier — but nowhere had I read of the soccer fan that lurked inside him until he chose to write to this column after the 1980 European championship.

Perhaps it should have been obvious? Niven was born a Scot, and soccer there is in the blood. His letters revealed a deep love of the game, but regrets that free expression was being squandered out of his sport. "Please," he concluded one letter, "stop the potential great footballers of our country being such . . . prima donnas!"

David Niven's message to such players was in his own example. They are unlikely to scratch the surface of his lifetime's creative achievement and acclaim, but they can, if they wish, learn from his mastery self-deprecation.

A new season dawns; how fitting it would be if players of the sport be adored could take themselves a little less seriously. They might then give and take the essential quality which sustained Niven's seven decades and filled his private letters with a sense of fun.

International Herald Tribune

## Burns, Freed From Bullpen Duty, Shuts Out Yankees, 1-0, on 3 Hits

Compiled by Our Staff From Dispatches

NEW YORK — Britt Burns, making his first start since July 31 after a stint in the bullpen, fired a three-hitter Monday night and Tom Paciorek hit a sacrifice fly in the first inning for the only run as the Chicago White Sox edged the New York Yankees, 1-0.

The 24-year-old left-hander struck out seven and did not walk a batter, allowing only a pair of singles to Omar Moreno — leading off the first and ninth innings — and a two-out double to Larry Milbourne in the eighth after Burns had retired 17 batters in a row.

Burns (7-6) pitched his third complete game of the season as he outduelled Dave Righetti (13-4) who hit his six-game winning streak snapped despite pitching a five-hitter and striking out 11.

Burns said the trip to the bullpen, where he made three strong appearances, was exactly what he needed. "My problem was getting fired up, and it really helps when you're in a situation when you've got to get them out for two or three innings," he said. "It gets you pumped up."

Burns had lasted only 1 1/2 innings against the Yankees in his last start, causing his demotion to the bullpen. He posted a 1-0 record there

with a 1.42 earned run average in 6 1/2 innings.

The White Sox scored when Dave Stegman drew a leadoff walk to start the game, moved to second on a balk by Righetti, took third on a single by Carlton Fisk and came home on Paciorek's fly ball to right field.

Brewers 2, Red Sox 0  
In Milwaukee, Ben Oglivie singled in two runs in the first inning and Moose Haas picked up his sev-

enth straight victory, helping the Brewers to defeat Boston, 2-0.

Haas (11-2) has pitched 26 consecutive scoreless innings, breaking the club record of 25 set in 1979 by Mike Caldwell. Haas surrendered just five hits in eight innings.

A's 5, Angels 0

In Oakland, California, rookie Gorman Heimann pitched a four-hitter for his first major league shutout and complete game in leading the A's to a 5-0 victory over California. The 27-year-old left-hander, who spent 6 1/2 seasons in the minors before joining the A's on July 12, struck out seven, did not walk a batter and retired 19 batters in a row after Reggie Jack-

son's checked-swing single in the second inning.

Orleans 6, Rangers 4  
In Arlington, Texas, John Lowenstein's three-run homer highlighted a five-run sixth inning as Baltimore posted its third consecutive victory, 6-4 over Texas.

Royals 6, Tigers 4  
In Kansas City, Frank White drove in three runs with a second-inning single and a sixth-inning triple to help the Royals erase a four-run deficit and go on to a 6-4 victory over Detroit.

Blue Jays 3, Indians 2

In Cleveland, Indiana reliever Jamie Eastley walked Willie Upshaw with the bases loaded in the ninth inning to break a tie and give Toronto its fourth consecutive victory, 3-1 over Cleveland.

Padres 4, Braves 0

In Seattle, Frank Viola survived a shaky start — he allowed two-run homers to Ron Roenicke in the second inning and Richie Zisk in the third — and combined with Ron Davis on a six-hitter to lead Minnesota past Seattle, 7-4.

In the National League, in Atlanta, Dave Dravecky pitched a five-hitter as San Diego shut out the Braves, 4-0. The Braves also lost third baseman Bob Horner, who broke a bone in his right wrist and will be out the rest of the season. Horner has a .303 batting average with 20 home runs and 68 RBI.



Australia II, left, got off to an overly fast start Monday against Victory '83 in the America's Cup. Australia II still won the race despite losing 45 seconds by having to restart.

## America's Cup Competition Moves From Water to Shore

By Angus Phillips  
Washington Post Service

NEWPORT, Rhode Island — According to the latest America's Cup logic, the world's shortest book is called "New York Yacht Club Ethics."

That line got a checkmark around town this week after release of a letter from the New York Yacht Club and U.S. Yacht Racing Union persistence in protesting the legality of Australia II's keel convinced him finally to do so, he said.

Australians Win Again

Australia II overcame a false start Monday to defeat Victory '83 of England and improve its record to 3-0 in the foreign semifinals of the America's Cup races, The Associated Press reported from Newport.

Azzurra of Italy won the day's other semifinal race by eight minutes, 53 seconds against Canada 1. With losses, Victory '83 dropped to 2-1. Azzurra has a 1-2 record, while Canada 1 fell to 0-3.

The Netherlands Ship Model Basin refused on grounds "we are contracted to [the Australians] not to test . . . models for any other syndicate."

Two days later NYCC Commodore Robert McCulloch formally protested Australia II's measurement and certification as a legal 12-meter yacht on grounds the unconventional keel gave her an unfair advantage. The New York Yacht Club has asked the International Yacht Racing Union in London to decide whether to send its Keel Boat Technical Committee to Newport to determine if the keel violates the rule prohibiting "peculiar" innovations in 12-meter design.

The inference of the joke-makers is that NYCC officials decided the secret Australia II keel is illegal only after they were told they could not have it, too.

The Freedom-Liberty syndicate, meanwhile, explained on Moulton's request for the keel plans, saying the group did not intend to build a competing yacht using the plans but sought instead to duplicate the keel on a noncompeting boat and use it as a trial horse against Liberty.

Because of the Australia II camp's secrecy about the bulbous, winged keel, said the syndicate in a prepared statement, "it has been difficult for any potential defender to prepare to compete against her. . . . It was never our intention to

enter an American yacht with the winged keel in competition."

Australia II's syndicate manager, Warren Jones, said his organization had the telegrams to and from the Dutch tank-testing company for three weeks, but did not intend to release them. New York Yacht Club and U.S. Yacht Racing Union persistence in protesting the legality of Australia II's keel convinced him finally to do so, he said.

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## Cuba, Paced by Weightlifting Golds, Takes Early Lead at Pan Am Games

The Associated Press

CARACAS — Juan Hernandez and Aristoteles of Cuba each won three gold medals in weightlifting on Monday to give Cuba an early lead in the medals race with eight golds and a total of 12 medals.

The United States is second with four golds and 10 medals overall. Venezuela was third with two golds and seven medals. Canada won the only other gold medal during Monday's competition.

Ten sports were in action Monday, with the biggest upsets coming in women's softball and soccer. The Puerto Rican women's softball team upset the United States, 6-5, and Guatemala shut out the United States in soccer, 3-0.

U.S. swimmers received a break in the draw Monday, avoiding Cuba's team in the preliminary rounds of all but one of the 12 weight classes. The competition began Tuesday.

Controversy continued to surround the games. A dozen Venezuelan swimmers were found to be living in a hotel rather than the problem-plagued athletes village. Officials said the Venezuelans had been staying at the hotel since last week to take advantage of the pool for practice.

The Venezuelan swimmers never checked into the village, about 30 miles away in Guarema, the officials said.

The village, official home for the 5,000 athletes competing here, has no swimming pool. As well, athletes' rooms often lack hot water, workable toilets or electricity. Several U.S. softball players have left the village for the comfort of a hotel, and sources have said that more may follow.

Meanwhile, the United States was nervous about a second day in trying to revamp the women's basketball tournament.

With the last-minute dropouts from women's basketball of Mexico and Peru, Bill Wall, executive director of the U.S. Amateur Basketball Association, wanted the women's basketball tournament shortened from two weeks to nine days, in part because of poor conditions at the village.

But Wall's plan again was defeated. The official said he was now searching "for a face-saving solution for both the U.S. Olympic Committee and the local organizing committee. We're trying to make the best of a very bad situation."

Wall is threatening to move the U.S. basketball players out of the village, against the U.S. Olympic Committee's wishes.

Jack Hartman, coach of the men's team, called the village conditions "deplorable." Making sure

that the United States is represented by the best possible basketball team "is difficult to do under these circumstances," Hartman added, "but I don't want to cause an international incident."

Men's 55-kilo class: 1. Eric Bullena, United States, 288. 2. Silvio Azevedo, Brazil, 288. 3. Hector de Lima, Venezuela, 287. 4. Carlos Mora, Peru, 248.

Men's 60-kilo class: 1. Venezuela, 248. 2. United States, 247. 3. Brazil, 247. 4. Colombia, 247.

Women's 45-kilo class: 1. Puerto Rico, 205. 2. Venezuela, 205. 3. Venezuela, 205. 4. Venezuela, 205. 5. Venezuela, 205. 6. Venezuela, 205. 7. Venezuela, 205. 8. Venezuela, 205. 9. Venezuela, 205. 10. Venezuela, 205. 11. Venezuela, 205. 12. Venezuela, 205.

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## OBSERVER

## The Monies Maker

By Russell Baker

NEW YORK — I have been puzzling all morning about the distinction between money and monies. The question arises because of a contract I am asked to sign. If it is fulfilled adequately, I shall receive monies. If not, I shall have to pay monies.

What are these monies? They sound suspiciously like a new variety of flower, the result of crossing chrysanthemums and peonies perhaps. I'm being crotchety, of course, for I know very well that monies are money. Or should it be, monies is money?

For months now I have heard politicians talking about monies. Lawyers, I gather, talk about nothing else. "All monies accruing," "such monies remaining," "those monies so postulated" — phrases like these have become commonplaces among people whose lives were once dedicated to money. Now those lives are dedicated to monies.

I don't like monies. I like money.

I don't worship money, but I could if I had enough of it to kneel before, because you can worship money and still feel respectfully monotheistic.

But I could never worship monies, no matter how many of them I had. Worshipping monies would be pagan. Imagine what people would say as you traveled from altar to altar: "Can you believe that barbarian worships 17 monies?"

Another reason I like money is that it makes it a lot easier being a parent. When a child says, "Please give me some monies," you can give him a nickel and he will go away contented.

Introduce monies into the relationship and it gets complicated. For example:

"Please give me some monies." You come across with a nickel.

"You only gave me one of the monies."

"How many monies do you think you're entitled to, kid?"

"How about all monies accruing, or at least such monies remaining?"

When you reprimand this greedy tyke with "money is the root of all evil," he doesn't have much area for arguing.

But if money is turned into mon-

ies, and you have to say, "monies are the root of all evil," it's a cinch the child is going to say, "which monies?"

You don't know which monies are the root of all evil, do you? And naturally you don't want a child to postulate there's something you don't know, so you say, "Those monies so postulated are the root of all evil."

And the child says, "What does 'postulated' mean?"

Even if you know what "postulated" means, how are you going to explain postulating to a child without missing your favorite TV show.

Speaking of which, let me postulate an all-to-common social experience: to wit, a sidewalk encounter with an armed citizen who says, "Give me the money." You give him the money, he exits, and your only problem is to decide whether to bore the police with the tale.

But now, suppose he approaches, armament on display, and says, "Give me the monies." Is he going to be pacified by the contents of wallet and change pocket?

I think he's going to say, "You don't understand, Jack. It's monies that make the world go round. Let's march up to your place where I can partake of such monies remaining."

I think you're going to have a hard time getting him out of your place without handing over the TV set, the Cuisinart and your favorite whisk.

These are only a few of the reasons I dislike monies. There are plenty more. For example, I don't want innocent children reading about impoverished dukes who marry heiresses for their monies. Though you find the occasional greedy duke, most are as decent as the next chap. Why poison young minds against them by suggesting that one money is insufficient to attract them to the heiress population?

Another reason I prefer money is that money talks, and when money talks people listen because they can hear it. This is because there are not hundreds of monies talking simultaneously.

But this contract must be signed, and signed at once, so enough of this dawdling. Time is monies.

New York Times Service

By Susan Simpson

International Herald Tribune

DINBURGH — Jimmy

Boyle still chuckles about

the first time he took a driver's

test.

"I was told I failed because of

undue hesitancy," he says. "I had

never been accused of that before

in my life."

Boyle, 39, was once known as

Scotland's most dangerous criminal.

In 1967, after two acquittals on

murder charges, he was found

guilty of a Glasgow gangland killing

and sentenced to life in prison.

Behind bars, he quickly ac-

quired a reputation as one of the

toughest, angriest characters that

the Scottish authorities had ever

encountered. Savage acts accom-

panied with the years.

Then came the transformation.

Boyle was moved to an experi-

mental Special Unit at Barmine

Prison in Glasgow. The idea was

to deal with violent prisoners in a

human environment.

There, Boyle took up sculpting

and writing with the same fierce

energy that he once directed

against society. His autobiography,

"A Sense of Freedom," was

published in 1977. A sequel,

"The Pain of Freedom," is to be

published soon.

Boyle was released from prison

last November after serving every

day of a recommended 15-year

term. When the doors clanged

shut behind him, he walked

straight into a shower of atten-

tion. The "hard man" of Scotland

became the most celebrated rehabili-

tated criminal in the country.

Now, Boyle rarely misses an

opportunity to call for a reform

of the Scottish penal system. He

is driven by a belief, born in the

Special Unit, that there are more

effective methods outside the "in-

stitutional straitjacket," to deal

with society's victims, whether

they are prisoners or the young

heroin addicts he is currently

working with in Edinburgh's dis-

advantaged communities.

"I'm still angry," he said in a

recent interview. "But I've

learned how to channel the an-

ger."

Boyle's sculptures alone are evi-

dence of that. They dominate the

living room of the Victorian house

where he lives with his wife, Sarah, live, a chiseled face, long

and lean, is in the front window.

On a chest nearby sits one of his

earliest works: a frail, metal fig-

ure surrounded by bars; it is the

## 'Social Sculpture'

After 15 Years in Prison, Jimmy Boyle Has

Some Definite Ideas on Reform and

Is Putting Them Into Practice

statement of a man who spent 5½

years in solitary confinement.

"For a while I was kept naked,

inside a cage, inside a cell," he

said. The prison guards "were

doing things like making noises

to keep me awake at night. I was

on the verge of cracking. Every

time they came in I was terrified,

but I could never let them see

that. So I'd walk up to one of

them and say, 'Come on, put your

stick over my head. Come on.'"

He stood up to demonstrate how

he taunted the guards — the

"screws" — and teased for a

blow, his muscular figure etched

against the wall.

One day the guards ordered

Boyle out of his cell, told him to

get dressed and took him to the

experimental Special Unit. "I

thought, 'What is this place? The

stepping-stone to the state mental

hospital? One of my biggest fears

was that I would end up in the

mental hospital."

Boyle said he was terrified and

confused by the sudden trans-

formation. All his life, from his days

as a street-smart kid in a Glasgow

tenement, Boyle had been condi-

tioned to think of police, hence

prison guards, as the enemy.

"To go in there and listen to

the screws say, 'Call me by my

first name, sit down and tell us

your problems,' was crazy,"

Boyle said. He laughed, and the

scar that snaked down the side of

his neck whitened. He now be-

lieves in the Special Unit as a

bold and imaginative concept

and is well aware of himself being

a textbook case of what a creative

approach to the penal system can

achieve.

"The unit was about politiciz-

ing people," he said. "When I say

that, I mean giving them insight

into the system, the background,

where they came from, how much

time letting them see the wider

aspects, the pressures that played

a part in that. . . they got a

broader outlook on life which

they'd never had before."



Author/sculptor Jimmy Boyle: "I'm still angry but I've learned how to channel my anger."

problems from drug addiction to

the rehabilitation of former pris-

oners. The center will be indepen-

dently funded, partially by mon-

ey from Boyle's new book. Boyle

said it would be answerable only

to a board of governors, made up

mainly of people from deprived

areas whose credentials will be a

commitment to help themselves.

"We [Boyle and his wife] want to

become redundant in time," he

said.

Since Boyle has been free for

less than a year he has had little

time to dwell on the possibilities

of defeat, or to pick up on his

sculpturing. "I'd love to get out

my tools and spend days on it,"

he said wistfully, running his eyes

over the collection in the room.

Then he smiled. "But I think of

what I do now as social sculp-

ture."

## Irwin Renews Ark Hunt

The former U.S. astronaut

James Irwin hopes he will "find

something interesting" during his

second ascent of Mount Ararat, the

legendary site of Noah's ark. "We

believe that the ark is at the edge

of the ice so we will not go to the top,"

Irwin said in Ankara. Irwin arrived

in the Turkish capital Sunday and

plans to leave today for the 16,946-

foot (5,165-meter) mountain. "I

searched from southeast to north-

east last year and I will be search-

ing the east and the north side this

time," he said. Irwin's first try last

August was cut short when he fell

from a glacier after straying onto

the northern face and had to be

carried down on horseback. This

time, Irwin, who spent three days

on the moon during the Apollo-15

mission in 1971, is determined to

make it safely up the slopes of the

mountain, which is 30 kilometers

(18 miles) from the Turkish-Soviet

frontier. Irwin will be accompanied

by a team of 18 climbers, including

his wife and son. At present, an-

other American group led by Raymond

Jewell of Livermore, California, is

on its way to the summit.

The oceanfront estate of Clare

Booth Luce in Hawaii, where she

has played host to three presidents,

has been sold to a Japanese buyer

for \$3.6 million, according to state

records. Luce, 80, a former ambas-

sador to Italy and widow of Henry

Luce, founder of Time magazine,

has moved to Washington to serve

on President Ronald Reagan's For-

ign Intelligence Advisory Board.

The 14-year-old home has been the

scene of gatherings that included

Reagan, Vice President George

Bush and former presidents Rich-

ardson and Gerald Ford. It had

been on the market for \$4.25 mil-

lion. Officials involved in the sale

refused to name the buyer, but re-

ports list the purchaser as the To-

kyo-based Blue Chip Corp.

The actor James Stewart will fin-

ish a series of radiation treatments

for facial skin cancer in Los Ange-

les today. "Jimmy has been going

to St. John's Hospital every morn-

ing for 15-minute treatments for

the past three weeks," his wife, Gloria,

said. "It's really quite minor

but his face does look like dog food

after the treatment. He goes to the

office every day and he isn't in any

pain. It's a common form of skin

cancer and no big deal." . . . But

Lancaster said he will enter Coda-

Sinal Medical Center in Los Ange-

les at the end of the month for

heart-bypass surgery and expect

to be back at work by mid-October.

"I'm suffering from a damaged

heart muscle or else I'd have gone

in for surgery before this," said

Lancaster, 69.

Placido Domingo has fractured

his left arm while performing a

sword-fighting scene during the

filming of Bizet's opera "Carmen"

in Spain. A spokeswoman for the

tenor said he hopes to make sched-

uled concert appearances at the

Salzburg Festival Aug. 19 and 21,

even if he has to appear with his

arm in a cast.

A 67-year-old Alabama woman

who routed eight muggers with a

pistol was arrested on a weapons

charge in New York because one of

the would-be thieves complained to

police. The suspected muggers were

also arrested. Roberta Leonard of

Sylacauga, Alabama, who has dia-

betes and walks with the aid of a

cane, said she had been robbed on

her first visit to New York and had

no intention of letting it happen

again. "I told them, 'If you don't

leave me alone, you'll get this,'"

said Leonard, referring to her con-

frontation with the gang. She was

arraigned on a misdemeanor weap-

ons charge, and released on her